



**Brunel University**  
**Financial Statements for the year ended 31 July 2013**

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### Mission and Strategy of the University

The University's Mission is:

*"To create knowledge and advance understanding, and equip versatile graduates with the confidence to apply what they have learnt for the benefit of society"*

This Mission was updated as part of the Strategic Plan for the University, which covers the period from 2012 to 2017. The Strategic Plan is focused around three Priorities, which are articulated through a number of Objectives, which are to be achieved over the planning period and beyond. The Priorities and Objectives are:

- Advancing Excellence in our Academic Provision:
  - *Building on our research successes to meet the global challenges of the 21st century*
  - *Securing the benefits of a research-led education for our students*
  - *Improving the quality of learning opportunities for all our students*
  - *Competing more effectively*
- Crossing Institutional Boundaries on the Basis of Open Innovation:
  - *Expanding our reach*
- Organising for Success:
  - *Providing an enabling culture in which all students and staff feel that they can excel*
  - *Ensuring the University is an attractive, safe and inspirational place*
  - *Communicating our successes*
  - *Ensuring the University is financially and environmentally sustainable and beneficial to society*

The Strategic Plan is rightly ambitious and aims to build on our successes in our core academic activities - education, research and knowledge transfer. The Priorities and Objectives will be delivered against a background of great change in higher education in the UK and globally. To enable us to secure Brunel's position as an internationally competitive research-intensive university, we must build on our key strengths to enable us to attract talented students and to develop critical mass in those fields of research where we are, or can be, truly internationally competitive. We have therefore embarked on a process of transformational change to better align ourselves to meet our objectives and this change is described later.

### Competitive and Regulatory Environment

Brunel University operates in a competitive national and international market attracting students and staff from across the nation and around the world to study and work here. The University is an autonomous institution and is able to determine its mission and set its strategy. However, as a supplier of publicly-funded higher education, it is subject to regulation and legislation to ensure that it acts responsibly in its use of public funds.

The principal regulator to which the university is accountable is the Higher Education Funding Council for England (HEFCE). The University receives funding grants from HEFCE for teaching and research. HEFCE has a regulatory duty to ensure that universities in receipt of public funds provide value for money and are responsible in their use of these funds. HEFCE is also responsible for making sure that the quality of learning, teaching and research is assessed, enabling them to fund selectively by supporting excellence. HEFCE also monitors the financial and managerial health of universities.

The terms and conditions for the payment of grants to the university by HEFCE are governed by the HEFCE Financial Memorandum. The University is required to submit a series of financial, data and accountability returns as part of the regulation process. Brunel University is an exempt charity within the meaning of

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Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993) and HEFCE is the principal regulator of the University as a charitable institution.

The University has a broad mix of students, with regulated limits to fees for UK and European Union undergraduate (HEU) students, but flexibility to set fee levels for postgraduate and international students.

All higher education institutions wishing to charge fees for HEU students of above £6,000 a year up to the limit of £9,000 are required to submit an Access agreement to The Office for Fair Access (OFFA). The University will be charging HEU students £9,000 a year for undergraduate degrees which will allow us to maintain our strong focus on research-led teaching and student employability, and to continue to invest in our facilities and curriculum. The University is committed to ensuring that all those with the potential to benefit from studying here have the opportunity to do so, whatever their background. We aim to continue and expand the activities that have proved successful in widening access and delivering positive outcomes for students from under-represented backgrounds at the university. The University has had its latest proposals for charging tuition fees and associated Fair Access activities for 2013/14 onwards approved by OFFA.

Research funding for the sector from Government sources continues to be frozen in cash terms, and this funding is expected to be constrained for the foreseeable future. The University continues to attract increased overall levels of research grant funding, including from non-Government sources, as it follows its research-intensive strategy. Of particular note is the award of £15m for specialist equipment as part of the new £60 million initiative to establish a National Structural Integrity Research Centre (NSIRC) in partnership with TWI Ltd in Cambridge. The funding represents the highest cash value award for research that Brunel has ever received.

### Students

Overall student numbers for 2012/13 decreased by 1,056 from 2011/12, a reduction of 7.1%. The largest reduction was in undergraduate numbers which decreased by 6.2%. The factors behind the reduction arose from the transition to the tuition fee regime, and included the impact of the student numbers control totals combined with the University's strategic decision to uphold the quality of students and maintain academic requirements for degree study. Postgraduate taught numbers also reduced, by 381, or 11.1%, with availability of funding sources for Home/EU students being a factor, and for international postgraduate taught students there was an effect on applications and resulting recruitment from changes in the tier system of visa requirements introduced by the UK Borders Agency in April 2012. Postgraduate research numbers were broadly level, against the trends in undergraduate and postgraduate taught numbers, reflecting the University's strategic approach to developing its research activities.

Student Numbers	2012/13			2011/12		
	Home/EU	Overseas	Total	Home/EU	Overseas	Total
Undergraduate	8,708	1,176	9,884	9,378	1,159	10,537
Postgraduate Taught	1,795	1,260	3,055	2,017	1,419	3,436
Postgraduate Research	497	473	970	491	501	992
<b>Total</b>	<b>11,000</b>	<b>2,909</b>	<b>13,909</b>	<b>11,886</b>	<b>3,079</b>	<b>14,965</b>

The diversity of our students is reflected in the proportions of our students by gender (53% male and 47% female), ethnicity (42% white, 29% Asian, 19% black and 10% other/unknown) and also by students who derive from groups under-represented in Higher Education. The percentage of undergraduate students who are in receipt of the Disabled Student's Allowance (DSA), which is one of the monitored targets of our Widening Participation Strategy, has increased for all modes of attendance since 2008-09, and is increasing at a faster rate than for the English Higher Education sector as a whole. Although the number of part-time undergraduate students receiving DSA is down compared to last year, it is still nearly four times the sector average. We also exceed our benchmark target and the sector average for students from state schools.

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The results of the 2013 National Student Survey show that the University held its position as one of London's top five universities for student satisfaction after another consistent year in the Survey. 87% of Brunel students were satisfied overall with their experience at university, up 1% for the second year running and marking a third year of consistently strong results within a highly competitive sector.

Demonstrating the broad-based quality that Brunel now offers, over 90% of students in English, Anthropology, History, Politics, Aerospace Engineering, Mechanical Engineering, Biosciences and Mathematics and Statistics were satisfied with their courses, with all of these subjects appearing in the upper quartile nationally. In Physiotherapy, 100% of students were satisfied with their courses, making the University top in the UK for this subject. Brunel's English and Creative Writing courses showed particular improvement since last year's survey, following a number of high profile appointments including Professor of Poetry and Creative Writing, Benjamin Zephaniah, and Professor of Contemporary Thought, Will Self. English jumped to sixth place nationally, driven by a 20% improvement in students' satisfaction with assessment and feedback. Physiotherapy and History maintained top ten positions in the national rankings for the third year in a row, and were joined by Anthropology, Film and Television Studies and Politics at the top of the rankings among universities in London.

Across the University, students were particularly satisfied with the learning resources available to them, including the Library, IT and other equipment, an area which has seen significant investment over recent years. More than 90% expressed their satisfaction with Brunel's facilities, making the University second in London and eighth in the UK in this category. In addition, for the second year running, Brunel's students are the most satisfied in London with the work of their Students' Union.

### **Student Support**

The University continues to invest in the services and facilities that it offers to students. Brunel has a range of health, welfare and advice services on site, in addition to varied social, sporting, arts and religious facilities. The study facilities and support include the University Library which offers an extensive collection of books, journals and other information including online databases, 29,000 eBooks and over 58,000 eJournals which are available through the Library website. As well as the NSS satisfaction score noted above, in November 2012 the Library was highly commended by the national Times Higher Education awards for delivering outstanding support for students. There are 1,200 study spaces and nearly 400 PCs and there is wifi capability throughout the building. Inductions, information skills training and one-to-one support are also offered. The Library's layout was completely refurbished in 2011 following student feedback and is available for 24-hour service during the week. Students now have access to the Bloomberg economic and finance data system, with terminals that are available to all students. This facility will increase potential employability, giving students direct experience of a system used throughout the banking and finance industry. The Library also provides the Academic Skills Service (ASK) which specialises in teaching all Brunel students the skills needed to learn independently and thrive academically, whatever the subject. ASK offer workshops, drop-ins, individual advice and resources on such skills as academic writing, critical thinking, note-making, time management, oral communication, maths and numeracy and is highly rated by our student users.

The University offers bursaries and financial support to students of limited financial means, as set out in the Statement and Report on the University's Charitable Purpose and Public Benefit Activities within this Report, and full details are available on the University's website.

Following its British Council Accreditation renewal, the International Pathways and Language Centre (IPLC) has been named the "top-performing British university language centre under the new British Council accreditation framework" by the *English Language Gazette*. Students at the IPLC benefit from an intensive programme of study which combines targeted Academic English courses in small classes with an engaging social programme. The IPLC provides opportunities for students to develop their language skills for future academic study at Brunel or for personal and professional development. The Centre also supports current Brunel students through a range of free academic English courses designed to continuously improve their academic English skills and enhance their study experience.

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Brunel's Placement and Careers Centre (PCC) has maintained its support for students and graduates in the continuing challenging economic climate. The PCC's three teams – Job Shop, Placement and Careers – are dedicated to helping students achieve both short and long term career goals, working with students from their first day and continuing for two years after graduation, providing information, guidance, advice and practical help.

Brunel has a 40 year long tradition in placement education and most of our undergraduate degree programmes can be taken as four year sandwich courses with new opportunities in Contemporary Education and Sport Sciences. We have a Placement team that works with students and employers to make the placement process a simple and trouble free process. Due to our successes in the sector (PCC won awards from 2010-2012 at the National Placement and Internship Awards) the University is now an official sponsor of the 'Rate My Placement' awards – acknowledgement of our reputation in the UK sector.

For the sixth year running, Brunel surpassed its HEFCE employability benchmark, which is the funding body's prediction of likely graduate outcomes in relation to the composition criteria of graduates, such as entry qualifications and social background. We continue to develop innovative models of employer and graduate engagement, including on-campus interviews for high volume external recruiters, extensive outreach to local employers and a highly developed social media presence. Despite continued difficult economic times, PCC advertised just under 5,000 job vacancies (sandwich placements, graduate training schemes, part-time and immediate graduate jobs). Job Shop has again seen a rise in students working on campus with the addition of many departments taking advantage of the 50+ Job Shop Temps recruited each year to resource short term work. Over 4,000 timesheets have been processed from just under 1,000 students registered to work on campus, who have collectively earned just over £800,000 and gained valuable work experience.

Much of the work of the PCC has been dedicated to assisting graduates from the current year as well as previous years. In the challenging employment market, this help has been vital to our students. Overall 2012 has seen a welcome increase in the number of first degree leavers with positive outcomes - 88.2% compared with 86.1% last year. The number of first degree leavers who are unemployed and seeking work has fallen from 9.8% in 2010-11 to 8.8%. Sandwich placement leavers in particular continue to experience more favourable employment outcomes including 81.3% of those employed in graduate-level jobs and a salary premium of just under £4,000 when compared to those not taking a placement.

Made in Brunel is a student-led brand which showcases the innovative, intelligent and professional graduates of Brunel University. Encompassing a host of events throughout the year and supported by its own website, Made in Brunel aims to engage and inspire industry, opening their eyes to a rich pool of up and coming talent. Each year culminates in a main exhibition in June, which gives the University's final year Design and Engineering students the opportunity to display their completed projects. This three day event, held in 2013 at The Bargehouse on London's South Bank, attracts a wide range of visitors including trade professionals, trade press, industry specialists, schools, colleges, universities, graduates, the media, high net worth individuals, and people of influence from a wide range of industries. The students, as well as these diverse visitors, are offered unique business opportunities and networking possibilities. This year's show focuses on stories of the design and engineering students and how their own personalities and experiences have shaped their innovative products. A number of the designs have been developed in collaboration and at the request of leading brands including Coca-Cola, Puma and Rolls-Royce. Previous Made in Brunel exhibitors have been offered employment at companies such as Jaguar Cars, Porsche Design, Dyson, Burberry and Lastminute.com.

Brunel University has been working in partnership with the London International College of Business and Technology (LIBT) since 2003, offering an alternative pathway to study for first degree and postgraduate masters degrees at an internationally renowned research intensive university. Foundation LIBT students complete a one or two-year transfer programme and, subject to meeting the required progression criteria, transfer into the second year of the University's three-year undergraduate degree programmes. Pre Masters courses can be for either a one or two term duration, with the two term courses including an industry placement. All courses offers flexible start dates and small classes, and there are additional English language teaching and specialist modules available to help improve knowledge and skills prior to the start of academic study. As courses are conducted at the University's campus, all LIBT students have the

opportunity to participate in the range of extracurricular activities at the University and enjoy a campus-based social life.

#### Alumni

The Development and Alumni Relations Office actively engages with Brunel's 80,000-strong alumni through a series of events and communications. In conjunction with the comprehensive communications schedule, including an annual 32-page magazine, Facebook and LinkedIn presences and quarterly e-newsletters, the team has in 2012/13 launched a Twitter feed @brunelalumni and a Google+ account to continue building the University's Social Media profile with its graduates. The team has also hosted networking events with the School of Social Sciences, Made in Brunel in conjunction with Engineering and Design and an inaugural Alumnus of the Year Performance event by Ross Ramgobin a rising star in the world of opera.

The Vice Chancellor has engaged with Alumni through a number of lunch get-togethers and attendance at Alumni receptions and has also hosted lunches for current and potential supporters of the University. Alumni events overseas have taken place for the first time, in Bahrain and Kuala Lumpur during 2013, attended by the Vice-Chancellor as part of arranged visits to the two regions.

Schools work with the DARO team to maintain contact with groups within the alumni body, providing services, encouraging overseas chapters, hosting events and promoting professional networking. Social networking environments play an important role for both students and alumni and by bringing these communities together, students are able to explore industry sectors and discuss different career paths, whilst alumni can provide advice, perspectives, and play a role in student life.

Philanthropic support from our alumni is also invaluable, with donations from former students contributing directly to student life at Brunel by supporting scholarships, bursaries, library provision and financial support for those facing financial difficulties. The 2013 Annual Telephone Campaign once again surpassed expectations by raising over £100,000 for the Brunel Scholarships Fund.

#### Staff

The University recognises the fundamental importance of its academic and professional services staff in delivering our mission and also developing and delivering our strategic priorities. Our staff members made a major contribution to the development of the University's Strategic Plan and are committed to its implementation.

Our staff numbers for the year averaged 2,529, which represents a reduction of 114, or 4.3%. Included in this reduction is the transfer of catering staff to an outsourced commercial provider, which accounted for a reduction of 61 permanent staff.

The small underlying reduction in overall staff numbers arose mainly from the non-academic staff resource and tracks the reduction in the student population. The University remains committed to investing in the academic resource to improve the student experience. Our staff expenditure accounts for the majority of our total expenditure, at 55.5% (2011/12 54.7%), and this key performance indicator is in line with our peers.

#### Staff Support

A particular focus of the Strategic Plan for the University is the theme of people and their networks, helping them connect with others with the primary aim of improving skills and knowledge of our staff which will, in turn, benefit our students and the wider community. Initiatives in 2012-13 have included:

**Athena SWAN Bronze Award.** In September 2012 the University received an Athena SWAN Bronze award for its efforts to promote the equal representation of women in science-related subjects. To achieve the award, the University had to demonstrate a commitment to addressing the under-representation of female academic and research staff in science, technology, engineering, mathematics and medicine. Achieving the award helps the University to promote its equality agenda, and will have a significant, positive impact on the

University's 2014 Research Excellence Framework (REF) submission. The award will strengthen our position in future funding applications, in which there is an increasing expectation from UK funding agencies to demonstrate the implementation of robust equality strategies.

**Staff Workshops.** These have concentrated on how staff can enhance the student experience and continued throughout 2012-13. These are held each term and are designed specifically to share best practice across campus and support networking and collaboration between Brunel colleagues. Following a similar format, staff members were not only invited to talk about their successes, but also the dilemmas that they face with solutions offered by colleagues on how to resolve the challenges faced.

**Creating a Coaching Community.** Given the body of evidence supporting the use of coaching to help staff realise their professional objectives, work has begun on building organisational coaching capacity. During 2012-13 staff from academic and support areas have begun working towards a coaching qualification with a view to participating as coaches in a campus-wide coaching scheme.

**Annual Learning & Teaching Symposium.** Building on the success of the 2011-12 symposium the Brunel community were brought together for this annual event to learn, share, discuss and debate the issues high on Brunel's Learning and Teaching agenda. Working in partnership with the Union of Brunel students the symposium celebrated the achievements of staff, as nominated by the student body and winners of the Student Led Teaching Awards were announced and congratulated at the end of the event.

**The ReThink Forum,** established during 2011-12, hosted a number of exciting events to directly support Brunel's Learning & Teaching Strategy. Colleagues from across campus and student representatives participated in a series of workshops to create strategies to enhance programme design and delivery. For example, the 'students supporting students' event focussed on how we can make good use of peer supported learning activities to support retention.

## Research

Brunel has stood by the words of its Royal Charter – to pursue “research and enterprise for the benefit of individuals and society” – since the University's birth in 1966. Our reputation has been built on ground-breaking work in subjects ranging from engineering to education, science to IT, psychology to law, sociology to business. That reputation has steadily embraced new areas – the performing arts, journalism, environmental science, sport and health – and these too retain that same outward-looking philosophy.

In 2012/13 Brunel was awarded 187 (2011/12:179) new research grants and contracts with a combined value of £37.5 million (2011/12: £17.9m), an increase of over 100%. The largest single factor in this level of increase is the £15 million funding from the Higher Education Funding Council for England (HEFCE) relating to the National Structural Integrity Research Centre (NSIRC), as detailed in the following paragraph. Even after excluding this grant, the underlying total value was £22.5 million, an increase of 28% compared with 2011/12. This level of growth demonstrates how the University is succeeding in its strategy of focusing on its areas of research strengths. The income from research grants is recognised in the financial statements over a period averaging three years, as the work is performed. Income continues to be secured from a diverse portfolio of funding bodies, with only 35% of the £37.5 million total for 2012/13 being funded by the UK research councils.

In October 2012 the University was awarded £15 million of funding from HEFCE as part of a new £60 million initiative to establish NSIRC. Brunel's lead co-partner for the new Centre, which will be based in Cambridge, is the technology engineering research and consultancy organisation TWI Ltd. Other partners will include major companies from the rail, marine, aerospace and energy sectors as well as University College London, the University of Cambridge and the University of Manchester. The Centre will provide the most up-to-date facilities for engineering and materials research in the UK and will build a national research capability which will support economic growth by carrying out application-led research programmes with TWI and industry partners. It will also provide exciting postgraduate training opportunities to address the UK's future skills requirements for engineers in this multidisciplinary field, ranging from oil and gas and energy generation to aerospace, road transport and medical devices.

Brunel was awarded a lead role, partnered by the Universities of Manchester and Birmingham, in the establishment of The Centre for Sustainable Energy Use in Food Chains. The Centre will be one of five new End Use Energy Demand (EUED) research centres that will look into the complexities of energy use across society and how energy can be both saved and used more efficiently. The Centre will develop innovative approaches, processes and technologies for energy demand reduction in all stages of the food chain: production, distribution, retail and consumption. Researchers will work closely with some of the UK's major food manufacturers, retailers, equipment manufacturers, scientific and technical providers and knowledge transfer networks. Establishment of the Centre will make Brunel one of the key universities in the UK and internationally for energy and food sustainability related research.

In July 2013, the University was successful with its funding bid for the £14 million Advanced Metal Casting Centre (AMCC). This Government-supported programme will take laboratory discoveries and upscale them for industry to bridge the gap between fundamental research and full-scale industrial trials. It is jointly funded by the Engineering and Physical Sciences Research Council (EPSRC), Brunel, a major luxury car manufacturer and a global aluminium automotive sheet and extrusions solutions provider. The Centre will initially serve the automotive industry, but the longer term aim is to extend its knowledge to other engineering sectors, including aerospace, defence, electronics and the general engineering sector. The new facility will draw on the work done at the Brunel Centre for Advanced Solidification Technology (BCAST) to improve the recyclability of metals.

Research conducted in the Centre for Cognition and Neuroimaging has focused on studying the neurological origin of developmental dyslexia. Developmental dyslexia has been identified as one of the most prevalent learning-disabilities throughout the world (10-12% of children). However, in non-alphabetic languages such as Japanese, hardly any systematic/objective studies on dyslexia have been conducted. Major findings of the research were that while in alphabetical languages developmental dyslexia can be attributed to phonological defects, in Japanese this can be attributed to impairments to visual/visuospatial processing. The team at Brunel applied the research to develop STRAW-I a novel diagnostic test for developmental dyslexia in Japanese for children aged 7-12. STRAW-I is the first of its kind and it has been applied by local educational authorities/schools/clinics across Japan for the early identification of dyslexia and the appropriate remedial action taken for the first time.

Since 1995, scientists from Brunel have contributed to the design, construction, and operation of the Compact Muon Solenoid (CMS), one of the key detectors at CERN in Geneva, helping to make important new measurements of the fundamental particles and forces in our universe. The University contributed to the Electromagnetic Calorimeter, part of the CMS that detects high energy electrons and gamma rays from the proton collisions. Specialist facilities at Brunel for large-scale radiation testing of components, plus a dedicated superconducting magnet have played a vital role in developing detectors for the light produced in the lead tungstate crystals that form the Calorimeter. Following on from this work, which led to the announcement in July 2012 of the discovery of a new fundamental physics particle consistent with the long-sought Higgs Boson, Brunel scientists told the story behind the discovery at the Royal Society Summer Science Exhibition in June 2013.

### **Environmental Sustainability**

The University achieved the internationally recognised environmental management standard ISO 14001 standard during 2012/13. The achievement demonstrates the University's commitment to protecting the environment and marks Brunel as a leading environmentally responsible institution through its operation and delivery of services, teaching and research. Currently only 21 higher education providers hold ISO 14001 accreditation, and of these only a few - including Brunel - hold it for the entire institution.

The University has maintained its position in the Green League table with an Upper Second Class (2:1) rating. This puts Brunel amongst the top half of universities and colleges for environmental performance. Since its creation in 2007, the Green League has grown in significance as the only comprehensive and independent league table of UK universities ranked by environmental and ethical performance. The overall score is based on a University submission on environmental performance over a range of 13 Key Performance Indicators.

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A Carbon Management Plan has been developed which details the targets and methods of supporting the published Higher Education Sectors carbon reduction targets, the mandatory UK Government targets and the Carbon Reduction Commitment Energy Efficiency Scheme. The University has committed to carbon reduction targets, against a 2005/06 baseline, of 48% by 2020/21. The first milestone for 2012/13 of a 20% reduction was missed by 12.5% caused primarily by the extremely cold weather during the year. However, the electricity consumption remained fairly constant reflecting the performance of the investment in energy reduction schemes offsetting the increases through the cold weather and increased academic research use. Gas consumption increased by 14%, however, when the consumption was corrected making adjustments for the weather it showed that the heating plant operated more efficiently. The Carbon Reduction Action Group continues to look at energy reduction projects, fully utilising the Rolling Green Fund investment to reduce our carbon footprint.

### Operating Results 2012/13

The operating results for 2012/13 reflect the second year of the University's medium term financial strategy for the transition to the new tuition fee regime. In 2011/12, the University reported a planned accounting deficit as it invested ahead of the three to four year period where grant funding is largely replaced by each new cohort of students paying higher levels of tuition fees. The 2012/13 results show a return to surplus.

A summary of the University's Consolidated Income, Expenditure and Outturn for the year ended 31<sup>st</sup> July 2013 is provided in the table below which also identifies the operating cash flow, accumulated reserves excluding pension liability and the total cash and short term investments at the year end.

	2012/13 £m	2011/12 £m
Income	183.5	179.3
Expenditure	(181.2)	(183.9)
Surplus/(Deficit) before exceptional items	2.3	(4.6)
Net operating cash inflow	13.2	11.3
Reserves excluding pension liability	173.5	169.9
Cash and short term investments	53.9	47.9

The operating surplus for the 2012/13 year was slightly ahead of budget and it is important to realise that, even with the relatively small level of surplus (1.3%), the University still generated positive net cash flow from operating activities at the rate of 7.2% of income (£13.2 million). We have increased our already strong cash balances and are now in a position where we do not need to generate significant surpluses over the medium term, and also have flexibility to address such difficulties that may arise in the future.

### Income

	2012/13 £m	2011/12 £m
Funding Body Grants	39.7	51.4
Tuition Fees and Education Contracts	82.6	70.0
Research Grants and Contracts	19.8	18.1
Other Income	40.9	39.1
Endowment and Investment Income	0.5	0.7
<b>Total Income</b>	<b>183.5</b>	<b>179.3</b>

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Total income for 2012/13 was £183.5m, which represents an increase of £4.2m or 2.3% compared with last year. The University's rate of increase of total income has moderated in 2011/12 and in 2012/13, following a period of significant growth in the preceding years. The University has managed this change cautiously, using its reserves where appropriate to improve its academic resource, reporting the planned operating deficit in 2011/12 and the moderate surplus for 2012/13. We believe this recent trend to lower income growth levels is likely to continue and the University will plan its future investment and expenditure accordingly.

The sources of funding for the University are changing and the transition to the new fees regime is demonstrated by the increasing contribution from tuition fees and the reduction in grants received from funding bodies. In 2010/11, prior to the start of reductions in government grant funding, 39% of our total income arose from tuition fees and education contracts compared with 31% of total income arising from grants received from funding bodies. This gap has widened in the first year of transition to the new tuition fees regime, with 45% of total income coming from tuition fees and education contracts and just 22% for grants. This trend will continue through the phasing in of the new tuition fee regime.

Tuition fees overall increased by £12.6m but total grant funding reduced by a comparable £11.7m as teaching and other specific grants were reduced as part of the transition to the new tuition fee regime started. In common with many other universities in this first year the new tuition fees regime, the University did experience a shortfall in tuition fee income against its expectations and targets, as fewer Home/EU student numbers started undergraduate courses in 2012/13 than expected. The number of HEU students entering the University to start courses was also significantly lower than the numbers who graduated and left the University at the end of 2011/12 owing to the impact of the student number controls over that period.

Research grant income increased by £1.7m or 9%, which, building on a 22% increase in 2011/12, is a good performance reflecting the success of the strategy of steadily building up the number and value of new grants awarded and the current activity builds on the work started in previous years. As noted in the Research section of this Review, income from research grants is recognised in the financial statements over a period averaging three years, as the work is performed. The significant increase in research grants awarded in 2012/13 of £37.5 million will be reflected in the financial statements in future years.

Other income from residences, retail, catering and conferences also rose by £1.8m, or 5%, reflecting additional income sourced from summer school activity for foreign language students on the campus, and also the contribution from increased retail income following additions to the retail space on campus.

### Expenditure

	2012/13 £m	2011/12 £m
Staff Costs	100.5	100.6
Other Operating Expenses	63.6	66.8
Depreciation	11.5	10.6
Interest Payable	5.6	5.9
<b>Total Expenditure</b>	<b>181.2</b>	<b>183.9</b>

Overall expenditure was £2.7m lower than in 2011/12, with this management of expenditure contributing to the overall return to surplus of £2.3m from the £4.6m deficit in 2011/12.

Staff costs were flat at £100.5m although the mix of staff has changed slightly. We reduced the use of additional contracted lecturers and also outsourced the University's catering operations to a commercial provider during the year which involved transferring the employment contracts and associated costs. As a result the average costs per member of staff have increased slightly though the overall cost has remained flat.

The reduction in other operating expenses of £3.2m demonstrates our efforts to manage expenditure in order to deliver an accounting surplus in the year. The operating cost base remained broadly level with the exception of estates maintenance work where there was a significant reduction planned. In 2011/12 we

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planned a deficit because we had wished to bring forward some estates maintenance work ahead of the Olympic activities and ahead of students entering the university under the higher fee regime. As a result the need for expenditure on estates maintenance this year has fallen by around £3.5 million which accounts for the large part of the decrease in operating expenditure for this year.

Depreciation costs increased by £0.9m or 8%, reflecting the introduction into use of significant capital assets purchased or completed in 2011/12, including the University's new Eastern Gateway Building, which is the home of the Brunel Business School and the University's main reception.

#### **Capital Expenditure**

Capital expenditure totalled £6.7m in 2012/13, substantially reduced from levels in 2011/12 (£15.1m) and 2010/11 (£18.8m). 2011/12 and 2010/11 capital expenditure included the costs of constructing the University's Eastern Gateway Building. Significant expenditure in 2012/13 included the majority of the cost of a new transmission electron microscope which will enhance the University's research capability and assist us in competing globally through collaborations and partnerships. We also invested in new servers for the computer centre, the campus's service tunnels, completion costs of the Eastern Gateway building and new lighting in a number of the campus's older buildings, significantly improving their energy efficiency.

A 10-year rolling programme of estate investment and maintenance is continually updated to take into account the changing needs and developments in the University and this is subjected to regular scrutiny by the University's Council.

#### **Cash and Debt**

The University generated £13.2m in cash from operating activities and ended the year with a balance of £53.9m in cash and short term investments. The University has long term debt of £93.2m which extends for a further 27 years (until 2040) when a final payment of £27.2 million needs to be made. The University has a series of interest rate swap agreements, which result in a net interest rate on the long term loans of 4.6% throughout their term. The borrowings have been used to fund the Student Residences which are fully owned and generating a gross income of £23 million per year. This income can reasonably be expected to track inflation in future years whilst the interest payments are fixed.

The University has a detailed Treasury management policy in place which includes limits on deposits and the institutions where these can be placed. The University has considered using its cash reserves to pay down some of its total debt but considers that it should retain the flexibility of keeping the cash on hand during this uncertain period. It would be impossible to re-borrow on such terms in the current market. Although most institutions are offering very low rates on short term investments, the strategy has been to seek security rather than return. The strategy and the treasury policy are reviewed regularly by the Finance Committee under its Terms of Reference and the Committee also reviews the deposit activity each quarter. Particular attention is paid to counter-party risk, with alterations to the policy to include only the highest-rated UK banking institutions on the list of the University's approved counter-parties.

#### **Financial Sustainability**

The financial strategy is to deliver the finances to enable the University to fulfil its mission and to meet its strategic and operational objectives in a sustainable way. The University monitors the achievement of this strategy through various analyses, with the principal high level series of indicators being the seven Key Performance Indicators (KPIs) prescribed by HEFCE. HEFCE formally assesses all universities on an annual basis against these indicators as part of its regulatory role and also publishes consolidated forecasts for the sector, based on the returns of all institutions.

The KPI of the strength of a buffer against large unexpected financial pressures is the level of reserves (excluding pension liability). These reserves were at a level of 95.2% of income at 31<sup>st</sup> July 2013, which is consistent with our figures for last year where our results of 95.5% were comfortably ahead of the third quartile level of 74%.

The KPI of the University's ability to respond to short term financial pressures is that of Net liquidity. The University's cash position stood at £53.9m or 116 days of general expenditure (excluding depreciation) at

31<sup>st</sup> July 2013. This figure is an improvement on last year's figure of 101 days when the sector mean was 118 days. The KPI of surplus to income for 2012/13, at 1.3% is below the forecast sector mean, but as previously noted, the KPI of operating cash flow as a percentage of income for 2012/13 was 7.2%, which is an improvement from last year's figure of 6.3%.

Separately, the University has conducted an assessment of the going concern status of the University, taking into account the guidance produced by the Final Report and Recommendations of the Sharman Panel of Inquiry which was published in June 2012. This guidance, which may become a requirement in future years, asks the University to review both solvency and liquidity. These are respectively: solvency - the ability of the University to meet its liabilities in full, ensuring there is sufficient capital so that there is an excess of assets over liabilities; and liquidity - the ability of the University to liquidate its assets at the velocity needed to meet its liabilities as they fall due. The formal conclusion of the assessment is that the University meets the requirement that "it has a reasonable expectation it has sufficient resources to continue operations for the foreseeable future and the going concern basis continues to be appropriate for preparing the annual financial statements".

The overall conclusion of both reviews is that although there is a considerable uncertainty regarding future funding for the Higher Education sector, Brunel is currently in a strong financial position relative to the sector, and has adopted, and operates, a suitable strategy to address the challenges that the University faces.

#### **Future trends and outlook**

The funding regime changes introduced in 2012 are bedding down and the impact of those changes is still to be fully effected across the sector. The new fee structure for undergraduates has increased competition between universities and there is also growing pressure on research funding as the Government and funding bodies increasingly favour larger centres of excellence, or organisations with effective partnerships which can add significant value to the research work. As research funding is focused on solving big global challenges which are, by their very nature, inter-disciplinary, it is essential that we have a cohesive academic environment which supports both the research and the teaching missions of the University by fostering collaboration while recognising that the academic disciplines are the bedrock of our teaching and fundamental research.

To address the changing funding landscape and enable us to secure Brunel's position as an internationally competitive research-intensive university, we have initiated a programme of transformational change in the University to focus our teaching and research in the fields where we are strong. Project groups have been formed and they are undertaking the detailed design work and consultation across the University. The project groups report regularly to the main transformational change programme board, with the programme board reporting ultimately to the University's Council. The full detail of the programme will not be approved by Council until December 2013, but we envisage consolidating our activities into three colleges and three institutes, with the core objective of encouraging interdisciplinary study and collaboration. More details will be published as our plans are formalised.

The University has prepared its financial forecast for the future years to 2015/16, and submitted it to HEFCE in July 2013 as part of the annual regulatory requirements. The forecast considered the likely impact of the developing sector changes, including the phased impact of the new tuition fee regime, through to the end of the four year period. Due to the significant levels of cash that the University has, and is forecasting to maintain, combined with the medium term outlook for capital requirements, the financial strategy does not require the generation of significant accounting surpluses. As a result we will seek to manage expenditure such that we record lower historical cost surpluses than the average for the sector and lower than the surpluses generated in most years prior to the introduction of the new tuition fees regime. This approach of managing expenditure to targeted levels will help the University to deliver on its Strategic Plan and optimise the student experience. We will still target an operating surplus, plan to be significantly cash generative at the operating level and to maintain Discretionary reserves above the level of 95% of income.

The main risk to this overall assessment is that there is now much more volatility in the number of undergraduate students that are recruited. There could therefore be a significant reduction in the number of undergraduate students that the University is able to recruit, in particular for certain subjects. Our experience in the 2013/14 student recruitment cycle has given us some reassurance that the potential for

## **Brunel University Operating and Financial Review**

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this scenario to have a major impact on the long term outlook for the University is limited, but nevertheless the University is monitoring sector wide developments closely and will respond to them.

In the longer term the numbers of UK postgraduate taught students may decline as the uncertainties about government funding for postgraduate courses continue. With tuition fee loans increasing for undergraduate studies, there may be an adverse impact on demand for postgraduate education from that cohort of graduates who may be less inclined, or able, to take out loans for further Masters study.

Increased competition from others in the UK and abroad, the changes in regulations of the points-based visa system for international students and the threat of exchange rate variability could also reduce the numbers of international students. On balance, we believe that the facilities provided and the experience of hosting a range of international students for a number of years places us in a good position for future recruitment.

The University will follow developments in the sector closely and has sufficient cash reserves available to it to be able to ensure that we act for the medium and long term benefit of the students, staff and alumni of the University and for society more widely.

### **Appointment of Chancellor, Pro-Chancellor and Vice-Principal – Education and International**

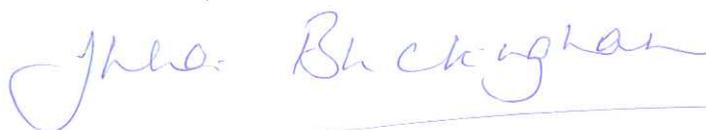
In October 2012, Lord Wakeham announced that he would stand down as Chancellor of the University. Appointed in 1998, he has served the University during a period of immense change for both the higher education sector and Brunel. The University has been incredibly successful during his tenure and we are delighted that his association with Brunel will continue following the decision of Council to confer on him the title of Chancellor Emeritus of the University. Lord Wakeham served as a Government minister from 1979 to 1994 with responsibilities that included Secretary of State for Energy, Leader of the House of Lords, Government Chief Whip and Leader of the House of Commons.

In April 2013, the Council of the University appointed Sir Richard Sykes to be its next Chancellor. Sir Richard has combined an eminent career in business with major posts in science and education. He is currently Chairman of The Royal Institution of Great Britain and Chairman of Imperial College Healthcare NHS Trust. Prior to this he was Rector of Imperial College London from 2000 - 2008, Chief Executive and Chairman of GlaxoWellcome from 1995 to 2000 and Chairman of GlaxoSmithKline until 2002. Sir Richard's distinguished career as a global leader of business and higher education, a scientist and a passionate advocate of education will be of immense value to the University in the future.

In June 2013 Lord Lingfield Kt DL DLitt announced that he will stand down as Pro-Chancellor of the University. Appointed in 2006, Lord Lingfield has been highly active on campus and a keen supporter of many of the University's events, during what has proved to be an incredibly successful period in Brunel's history. The University is extremely grateful for the contribution he has made to our work and looks forward to welcoming him back on many occasions in the near future.

The Council of the University has appointed Mr Nazir Afzal OBE as the University's next Pro Chancellor. Mr Afzal has been a member of the University's Council since 2010 and is also a Chief Crown Prosecutor for the Crown Prosecution Service. The University is delighted that he has agreed to enhance his connection with the University in this important role.

In June 2013 the University announced the appointment of Professor Andrew George as Vice-Principal (Education and International). This new post will bring together the key themes of curriculum development, graduate employability and the development of international partnerships. This strategic appointment is aimed at delivering a vibrant curriculum in tune with the needs of society and the highest quality student experience. Brunel is also keen to expand its academic partnerships overseas and Professor George brings considerable experience in this area.



Professor Julia Buckingham  
Vice Chancellor

## **Brunel University**

### **Statement and Report on the University's Charitable Purpose and Public Benefit Activities**

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Brunel University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993). The Higher Education Funding Council for England (HEFCE) is the principal regulator of the University both as a Higher Education Institution and as a Charity. The University has no connected charities attached to it. The members of the Council of the University are the charity trustees of the University. The members of the Council of the University have had due regard to the Charity Commission guidance on public benefit, including the applicable details contained in the Advancement of Education for the Public Benefit.

The objects of the University are set out in its Royal Charter as being to advance learning and knowledge by teaching, scholarship and learning, and research and enterprise for the benefit of individuals and society at large. The members of Council are particularly concerned that the University should provide education such that students upon graduation are possessed not only of a range of academic learning but know also the relevance of that learning to society. This has been distilled into our mission statement:

**To create knowledge and advance understanding, and equip versatile graduates with the confidence to apply what they have learnt for the benefit of society**

The University provided 4,914 graduates in the year 2012/13, of whom 2,644 were awarded a bachelor's degree and 2,270 a postgraduate degree.

The University published 1,021 articles in the Brunel University Research Archive (BURA) which is an Open Access publishing site from which anyone can download, for free, the results of research published by Brunel academics. More than 6,800 full text research outputs had been made available on BURA by the end of July 2013. BURA is still growing with an average of over 1,000 new records being added during each of the previous five years. According to the Ranking Web of World Repositories, BURA is now ranked 7th in the UK in terms of its size and 14th in the UK in terms of visibility.

Brunel University's Open Access publishing fund for research staff and students helps make published research articles available through the gold Open Access route as recommended by the Finch Report. RCUK have provided some funding to universities to ensure that all research outputs published as a result of a funded RCUK research grant are made available on Open Access. Brunel remains committed to Open Access and the Library has set up a Twitter account to promote and disseminate published Brunel research when it is added to BURA. Brunel University mandates that, subject to publisher permissions, researchers should add the full text for published research outputs to BURA. PhD and MPhil researchers are required to add their theses to BURA once their award has been approved.

Brunel University's annual Spring Public Lecture Series consists of six evenings of lectures and twenty four speakers. During each lecture, four renowned scholars and researchers present their distinctive views and ideas in an accessible style, followed by questions and discussion. Attendance at the lectures is free and is open to the public. For the Spring 2013 series, which was the fifth year in which the series has been held, the broad overarching theme was 'Disputed Territories: Challenging Convictions — Contemporary Concerns'. Topics explored by the speakers included the relationships and potential disparities between science and religious belief, social cohesion and multiculturalism, the maintenance or exploitation of natural resources and an exploration of the legal, moral and social issues arising during the end-of-life process.

#### **Widening Participation**

Members of Council are keen to ensure that the benefits of learning are available to all potential students, whatever their background, who have the ability to successfully complete their chosen course and that the University aims to create a student body that is balanced and diverse in terms of cultural background and experience. To achieve these aims the University has a Widening Participation (WP) strategy that seeks to increase take-up of Higher Education by under-represented groups.

The current WP strategy has four main aims:

- To increase the number of students attending Brunel from Low Participation Neighbourhoods (LPNs).

## **Brunel University**

### **Statement and Report on the University's Charitable Purpose and Public Benefit Activities**

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- To increase the number of disabled students at Brunel in receipt of the Disabled Students' Allowance (DSA) and enhance the support available to students who disclose a disability.
- To encourage care-leavers to apply to Brunel and to support their progression and retention.
- To improve the successful transition, progression, retention and employability of all WP students.

WP activities in 2012-13 were targeted at students from under-represented groups with particular emphasis on students with disabilities and care-leavers. The aim is to consolidate work carried out to date to ensure that Brunel continues to exceed its WP benchmarks in key areas and endeavours to meet its benchmarks in areas where it currently falls short by concentrating its activities on specific institutions and groups.

The University's performance against the main aims of the strategy is detailed below. The statistical data is the most recent verified and published by the Higher Education Statistics Agency (HESA) and refers to 2011/12:

- The number of young full time first degree students from LPNs has increased from the baseline of 4.8% set in 2008 to 7% in 2011/12 using the same Polar 2 method of calculation.
- The number of full time first degree students in receipt of the DSA has increased from a baseline of 3.8% set in 2008 to 8% in 2011/12. Activities of particular note in 2012/13 included a pre-induction session for disabled students (Intro2Uni), a Freshers' Week Drop-In session and the establishment of a new Asperger's Syndrome support group.
- In autumn 2012 Brunel was re-awarded the Buttle UK Quality Mark for a further three years for its work with care leavers. A Care Leaver/Foyer Federation bursary of £1,000 per annum was introduced for entrants in 2013.
- Evidence of activity to support the transition, progression, retention and employability of all WP students during 2012/13 includes the Headstart pre-session week for new WP students attended by 60 in September 2012. The Professional Mentoring programmes in 2012/13 involved 71 WP undergraduates matched with 71 mentors in the public and private sector.

The Widening Participation Department operates two strands of Professional Mentoring. Both programmes draw on experienced individuals from employers in the private and public sectors. UK second and final year undergraduates from widening participation backgrounds and under-represented ethnic minorities are eligible to join either of the mentoring strands. The Ethnic Minority Undergraduate Scheme (EMUS) targets undergraduates from ethnic minority backgrounds and is managed in collaboration with the National Mentoring Consortium (NMC). WP Professional Mentoring is aimed at students from other under-represented groups, including care leavers, first generation within their immediate family to enter higher education, disabled students, students who have experienced serious disruption to formal education and students from low-income areas with low participation in higher education. Both programmes operate from November to May. Mentors receive full training and give their time voluntarily over a period of seven months. Mentors and mentees meet monthly at the mentor's workplace.

#### **Bursaries and Student Financial Support**

The University offers bursaries and financial support to a wide range of students of limited financial means from different backgrounds and with different talents, and introduced over 1,000 new scholarships for 2012/13, meaning that one in three applicants who joined Brunel in 2012/13 could receive financial support from the University.

The full range of financial assistance available to students is advertised on the University's external and internal websites.

Brunel University's fundraising activities to support its Urban Scholars Programme were shortlisted for 'Outstanding University Fundraising Initiative' at the Times Higher Education Leadership and Management Awards 2013. Launched in 1999, Brunel's Urban Scholars Programme provides additional academic support for inner London school children perceived by their teachers to have substantial potential but who are at risk of falling out of education before progressing to university. The short-listing for this award

## **Brunel University**

### **Statement and Report on the University's Charitable Purpose and Public Benefit Activities**

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recognises the diversity of the support secured by Brunel's fundraising teams. Activities go beyond the standard routes for securing funds and include a mix of corporate and professional support, charitable trusts, foundations, research funding, individual donors and fundraising events. Over time, the Programme has been able to add funding to support students progressing on to university. In 2012-13 Tata Global Beverages provided eight scholarships to students who had progressed from the Urban Scholar Programme. Brunel's teams also engaged with donor organisations on levels beyond the purely financial. Their employees are offered opportunities as mentors and speakers on the Programme, enriching the experience of the scholars and allowing the mentors to see at first hand the difference that their companies' donations have made.

#### **Academic Programmes and Projects for Public Benefit**

Much of the academic research that the University undertakes is in collaboration with other institutions both in the UK and internationally. Example of the wider public benefit research activities undertaken by the University include:

**Slowing Cancer Growth** - New research carried out by a team at Brunel and the UCL Institute of Child Health during 2012/13 revealed that green tea catechins can suppress the growth of neuroblastoma cancer in mouse models. The study funded by the children's medical research charity Sparks, shows that the use of catechins extracted from green tea leaves can suppress the growth of neuroblastoma, one of the most fatal forms of childhood cancers, by boosting the body's own anti-tumour response. Sparks hopes this research will lead to the development of less toxic treatments for children with cancer. The research team are now looking to begin clinical trials in which Polyphenon E, a clinical grade catechin extract of green tea leaves, will be combined in treatments for children with relapsed neuroblastoma or who are undergoing cancer immunotherapy.

**Detection and Prevention of Elder Financial Abuse** - The Brunel Institute of Ageing Studies has conducted research to identify how health, social care and finance professionals' detect and prevent elder financial abuse. As a result they have developed training tools that have been adopted by organisations as the College of Occupational Therapists, the Building Societies Association and Age UK that train their staff in detecting elder financial abuse.

**Mass Drug Administration (MDA) for the Control of Neglected Tropical Diseases (NTDs)** - Multi-disciplinary work undertaken in the Centre for Research in International Medical Anthropology on the control of NTDs has brought new insights into the effectiveness of MDA programmes in a number of African countries. Fieldwork undertaken between 2005 and 2011 and further follow-on research found that treating heavily infected populations can generate significant side-effects. This raised particular doubts about the merits of treating people that may be under-nourished, malnourished, and/or infected with multiple parasitic infections. The findings were discussed by staff from the Department for International Development at the Houses of Parliament and during a debate in January 2013 in the House of Lords where Brunel academics gave evidence to the House.

**New definition of bullying** - Building on long-term collaborative work with local education authorities and researchers in the UK and US since 1999, research conducted in the Education department of the University has been contributing to the international educational debate around bullying. It has demonstrated that bullying is a whole-school phenomenon and that, at the secondary school level in particular, more than 60% of pupils not only witness bullying regularly but are affected by it, exhibiting symptoms associated with depression, anxiety, potential suicide ideation, and drug and alcohol abuse. In addition, in 2011, the research significantly contributed to the establishment of a uniform definition of bullying behaviour, particularly arguing for the inclusion of single incidents in the definition, for the Department of Education in the US. Unlike the traditional definition of bullying, which did not consider single incidents as 'bullying' (thereby prohibiting teachers from intervening), the new definition provides effective measures to capture the problem as well as encourages timely intervention and support for children in need.

## **Brunel University**

# **Statement and Report on the University's Charitable Purpose and Public Benefit Activities**

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### **University Technology College (UTC)**

During the year the Heathrow Aviation Engineering University Technical College, which Brunel University is sponsoring, signed its funding agreement with the Department for Education and appointed Mr Bryan Berry as Principal Designate. The UTC will be housed in a new purpose built £7.8M building on the same site as Northwood School. The contractor BAM has recently been appointed to complete the project. The UTC will open in September 2014. A key feature of the UTC is that it will provide an excellent grounding in mathematics, science and engineering in a practical context for the 14-19 age group. The UTC will meet the educational requirements of a significant proportion of students who would benefit from more practical and technical provision, and will meet the growing local need for technically competent, employable young people to join the expanding aviation industry.

Brunel University will form part of the governance structure of the UTC and will provide practical assistance in the form of input to curriculum development and delivery as well as existing support through our Widening Participation and Schools Liaison activities.

### **Brunel Volunteers**

Brunel Volunteers is part of Brunel's Student Services. The department works with charities and organisations to facilitate volunteering opportunities for students and staff to engage with within the local and wider community. These opportunities not only support charities and community projects, they help students build skills relevant to future employment, and explore different career paths before entering the graduate recruitment market.

During 2012/13 369 Brunel Volunteers completed 7,553 hours of volunteering in the local community. Beneficiaries of the work of Brunel Volunteers included WRVS, Vyners Secondary School, Age UK Hillingdon, West London YMCA and the Youth Offending Service. An example of the type of activities supported by Brunel Volunteers is the Maths Mentoring Scheme, where volunteers with a mathematics background have been providing basic classes to the services users of Jupiter House - YMCA.

## **Brunel University Corporate Governance Report**

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The following statement is provided to enable readers of the annual report and accounts of the University to obtain an understanding of the University's governance and legal structure.

The University is a corporation formed by Royal Charter with charitable status. The Charter and Statutes require the University to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities. Under the Statutes, the University may have another body, the Court. The University has constituted its Court, which does not have any legal or other powers in respect of the University. The role and effectiveness of Court was reviewed in 2009, and Council agreed that its role should continue as the body through which the University maintains influential contact with the wider community.

The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the University and on its members as Charity Trustees. This establishes the University as both a teaching and learning institution providing education in various branches of scholarship as determined by the University and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the University, and for the finance, property, investments and general business of the University and is required to present audited financial statements for each financial year. Council approves major developments and receives regular reports from Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the latest versions of which were approved by the Privy Council in May 2005 although there have been minor amendments since.

The matters specifically reserved to the Council for decision are set out in the University's Statutes. Like most public bodies it operates within a strong framework of regulation, and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Council has a majority of members from outside the University (described as independent members), from whom its chair and deputy chair must be drawn. Members also include representatives of the staff of the University, and the student body. None of the independent members receive any payment, apart from the reimbursement of expenses, for the work they do for the University. Not only does the University comply with all mandatory requirements, but it also strives to operate that guidance which represents best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, the HEFCE Accounts Direction requirements and also the Governance Code of Practice and General Principles (the Code) published by the Committee of University Chairs (CUC). In response to the Code and in accordance with overall good governance the Council periodically reviews its role of Council and its effectiveness. As part of this governance process, a review of the size of Council has commenced and the resulting revisions should be adopted in time for the start of the 2014/15 academic year.

The Senate is the academic authority of the University, and draws its membership entirely from the academic staff and the students of the University. Its role, subject to the Statutes and Ordinances, is to direct and regulate the teaching and research work of the University. Senate is conducting an effectiveness review as part of the Transformational Change Programme which commenced towards the end of the 2012/13 academic year.

The principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the accounting officer of the University. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor.

As chief executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Vice Principals, Pro Vice-Chancellors and the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Council.

## **Brunel University Corporate Governance Report**

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The University maintains a register of interests of members of the Council and senior officers which may be consulted by arrangement with the University's Secretary to Council.

The statutes of the University specify that there shall be a Secretary to Council, who shall be appointed by the Council after it has considered a joint report from the Vice-Chancellor and Chair of the Council. The Secretary shall be responsible to the Council. Any enquiries about the constitution and governance of the University should be addressed to the Secretary to Council.

The Council met six times in the 2012/13 academic year. It is anticipated that it will meet on six occasions in 2013/14. There are several Committees of Council that are formally constituted with written terms of reference and specified membership, including a significant proportion of independent members, from whom the chair is selected. In the case of the Audit Committee, it entirely comprises independent members appointed by Council from amongst its members, and co-opted independent members appointed by Council. The Chair of Council is ex-officio on all Council and Joint Committees, except the Audit Committee.

In respect of its strategic and development responsibilities, Council receives recommendations and advice from the Strategic Planning and Resources Committee, a joint committee of Council and Senate, the body responsible for the University's academic affairs.

The Finance Committee supervises all matters relating to the finance, accounts and financial regulations of the University, the investment of its funds, the receipt of its income and the expenditure thereof, and the management of its borrowings. The Finance Committee reports to Council.

The Nominations Committee, in its recommendations to Council, seeks to ensure diversity, breadth and continuity of expertise amongst the membership of Council. It also undertakes succession planning with respect to the membership, leadership of committees and advice on governance.

The Remuneration Committee reviews and recommends the salary and conditions of service of the Vice-Chancellor and the severance arrangements of higher paid staff as defined from time to time in the Accounts Direction made by the Higher Education Funding Council for England. It also receives a report from the Vice-Chancellor on the performance of the senior management team.

The Audit Committee meets at least three times a year to consider reports from the External and Internal Auditors containing recommendations for the improvement of the University's systems of risk management and internal control and the management's responses and implementation progress. It also receives and considers reports from time to time from HEFCE. Whilst executive officers attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets with the External Auditors and the Internal Auditor on their own for independent discussions at least annually. The Committee and Internal Auditor each present an Annual Report to Council. It is the Audit Committee that formally recommends the annual audited accounts to Council.

Special Projects Committee undertakes due diligence enquiries and necessary scrutiny on behalf of Council on matters of strategic or fundamental importance to the University. It is chaired by the Deputy Chair of Council and its membership is made up of one member of Finance Committee, one member of Audit Committee and one member of Strategic Planning and Resources. Special Projects Committee meets on an ad hoc basis and reports its findings to Council.

Council also appoints members to joint committees with Senate including the Strategic Planning and Resources Committee and Honorary Degrees Committee. Each of these committees is formally constituted with terms of reference and includes three independent members of Council.

The attendance record for members of Council and its Committees was monitored over the course of the year and the average attendance achieved in 2012/13 was again over 90%.

The University's Council is responsible for the University's system of internal control and for reviewing its effectiveness. It has established the processes to comply with the direction from the Higher Education Funding Council for England (HEFCE) for the identification, evaluation and management of the key risks facing the University. The Council has responsibility for maintaining a sound system of internal control that

supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibility assigned to the Council in the Charter and Statutes and the Financial Memorandum with HEFCE. Such a system is designed to manage, rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place, and operating effectively, since 31 July 2003. Following the approval of a new risk framework Council has undertaken the following activities in 2012/13:

- Overseen the development of the Risk Register with its own risk scores;
- revised the Risk Appetite Statement and score;
- tasked a sub group of Council to work with the Vice-Chancellor and the Deputy Chief Operating Officer to develop a set of performance measures to support the Risk Register.

Council has also established an Ethics Advisory Committee for the University to monitor ethical issues that arise from Council and Senate policy, strategic decisions and to advise specifically on the impact of ethical issues or dilemmas that are relevant to the business of the University.

The internal auditor also provides Council with an independent opinion each year on the adequacy and effectiveness of the University's risk management, control and governance processes. The Council has ensured that the meeting calendar enables risk management and internal control to be considered on a regular basis during the year.

Day-to-day management of the University is conducted through the Vice-Chancellor's Advisory Group and the Executive Board. The Executive Board normally meets fortnightly to consider the strategic and financial direction of the University.

Professor Julia Buckingham became the University's Vice-Chancellor and Principal on 1 October 2012. The Vice-Chancellor is the principal academic and administrative officer of the University. The Vice Principal is her deputy and has specific responsibility for academic matters within the University. The four Pro-Vice-Chancellors have specific responsibilities for major policy areas, whilst responsibility for administrative services is shared between the Chief Operating Officer and the Director of Finance. Council is kept informed of the key decisions and discussions of the Executive Board via the Vice-Chancellor's Report which is also given to the University's Senate meetings. This management structure will be updated following the appointment of Professor Andrew George to the post of Vice Principal (Education and International), as detailed on page 14.

## **Brunel University**

### **Statement of Primary Responsibilities of the University Council**

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The University's Council, as part of its responsibility to establish processes to monitor and evaluate the performance and effectiveness of the Council itself, is currently undertaking a review which will consider the primary responsibilities of Council and the committee structures and processes that are adopted to carry out these responsibilities. The current principal responsibilities of the Council are as follows:

**1.1** To make a contribution to and approve the mission, vision and strategic direction of the University. Subject to consultation with Senate on matters with implications for academic policy, to approve the long term academic and business plans and key performance indicators and to ensure that these meet the interests of the stakeholders and are compliant with the charitable objectives of the University.

**1.2** To delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution.

**1.3** To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.

**1.4** To ensure the establishment and monitoring of procedures for handling internal grievances and for managing conflicts of interest.

**1.5** To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be appropriately benchmarked against other comparable institutions.

**1.6** To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.

**1.7** To safeguard and promote the good name and values of Brunel University embracing the principles of corporate social responsibility.

**1.8** To appoint the Vice-Chancellor as chief executive, to put in place suitable arrangements for monitoring his/her performance and, where deemed necessary, having responsibility to commence any disciplinary measures it considers appropriate including dismissal.

**1.9** To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

**1.10** To be the employing authority for all staff in the University, to have regard for their well-being and for establishing a human resources strategy.

**1.11** To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, to have overall responsibility for the University's assets, property and estate and to comply with the requirements of the sector regulators as defined periodically.

**1.12** To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the name of Brunel University.

**1.13** To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.

**1.14** To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.

**1.15** To ensure that the University's constitution (as laid down in the Charter and Statutes) is followed at all times and that appropriate advice is available to enable this to happen.

## **Brunel University Council's Responsibility for the Financial Statements**

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In accordance with the University's Royal Charter, the Council of Brunel University is responsible for the administration and management of the affairs of the Group and University and is required to present audited financial statements for each financial year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and University. This enables it to ensure that the financial statements are prepared in accordance with the University's Royal Charter, the Statement of Recommended Practice - Accounting for Further and Higher Education, and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Council of the University, the Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and University and of the Group's surplus or deficit and cash flows for that year.

In preparing the financial statements, the Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates made are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- financial statements are prepared on the going concern basis.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and the Teaching Agency are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Higher Education Funding Council and the respective Funding Agreement with the other body and with any other conditions which the two bodies may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud; and,
- secure the economical, efficient and effective management of the University's resources and expenditure so that the benefits that should be derived from the application of public funds by the Council are not put at risk.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic, administrative and support departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular review of key performance indicators and business risks and of financial results including variance reporting;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive Financial Regulations, promoted by Finance Committee and adopted by Council; and,
- a professional internal audit service with a programme approved by the Audit Committee and whose head provides that committee with a report on internal audit activity that assists it in formulating its opinion on the effectiveness of the University's system of risk management, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

## Independent auditor's report to the Council of Brunel University

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We have audited the Group and University financial statements (the 'financial statements') of Brunel University for the year ended 31 July 2013 which comprise the Consolidated Income and Expenditure Account, the Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University Council, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the University Council those matters we are required to state to it in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University Council for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of the University Council and Auditors**

As explained more fully in the Statement of Primary responsibilities of Council Statement set out on page 23 the University Council is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and University as at 31 July 2013 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

## Independent auditor's report to the Council of Brunel University

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### Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes
- income has been applied in accordance with the University's Statutes and
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion:

- the statement of internal control included as part of the Corporate Governance Report is inconsistent with our knowledge of the University and group.



Chris Wilson  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

21 November 2013

# **Brunel University**

## **Statement of principal accounting policies**

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### **Basis of preparation**

These financial statements have been prepared in accordance with both the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions (SORP) and applicable United Kingdom Accounting Standards including any standards issued more recently than the SORP such as heritage assets FRS 30.

### **Basis of accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets and investments.

### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year to 31 July. Intra-group sales and profits are eliminated fully on consolidation. The consolidated financial statements do not include those of the Union of Brunel Students as it is a separate body in which the University has no direct financial interest nor has it control or significant influence over policy decisions.

### **Recognition of income**

Income from research grants and contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. Such income that was earned, but not invoiced, at the year end is included as accrued income.

All income from investments is credited to the Income and Expenditure Account on a receivable basis. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to Specific Endowments.

Fee income is stated gross and credited to the Income and Expenditure Account over the period in which students are studying. Where the amount is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Income from the sale of goods or services is credited to the Income and Expenditure Account when the goods or services are supplied to the customers or the terms of the contract have been satisfied.

Recurrent grants from funding councils are recognised in the period in which they are receivable. Non-recurrent grants from funding councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the useful economic life of the assets. Specific grants from funding councils are recognised to the extent of the relevant expenditure incurred during the year, together with any related contributions to overhead costs, or when the related terms and conditions of the grants have been fully satisfied.

### **Maintenance of premises**

The University has a long-term maintenance programme which is periodically reviewed and for which sums are set aside on a regular basis. The programme covers both major cyclical activities and major maintenance costs expected to occur on an irregular basis. Both long-term and routine corrective maintenance is charged to the income and expenditure account as incurred, unless it is classified as a capital asset under FRS 15.

### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling

## **Brunel University**

### **Statement of principal accounting policies**

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at year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

#### **Agency arrangements**

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure account where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

#### **Accounting for charitable donations**

Unrestricted charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution.
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

#### **Tangible fixed assets**

##### **a Land and buildings**

Land and buildings are stated at cost or, in the case of buildings for which the cost cannot readily be ascertained, at valuation. Buildings are depreciated over their expected useful economic lives of fifty years except in the case of certain temporary structures which warrant a shorter period. Improvements to leasehold premises are amortised over the period of the lease.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, whether through the economic benefits of use or through disposal.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until the accounting period in which they are brought into use.

Freehold land is not depreciated

##### **b Equipment**

Equipment costing less than £10,000 per individual item or group of related items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its expected useful economic life, as follows:

Furniture, printing and catering equipment	-	10 years
Telephone and security equipment	-	7 years
File servers and other central computing equipment, office equipment, other academic equipment	-	5 years

## Brunel University

### Statement of principal accounting policies

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Motor vehicles	-	4 years
Groups of public domain and other personal computers	-	3 years
Equipment acquired for research projects	-	project life

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grant is treated as a deferred capital grant and released to income and expenditure account over the expected useful economic life of the equipment (the period of the grant in respect of sponsored research projects).

#### c Books

The cost of purchase of books is written off in the year of acquisition

#### Heritage Assets

Works of art and other valuable artefacts (heritage assets) valued at over £25,000 are capitalised and recognised in the Balance Sheet at the cost or the value of the acquisition, where such a cost is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean any depreciation would be immaterial. Individual items are periodically re-valued with any surplus or deficit on revaluation being reported in the Statement of Recognised Gains and Losses.

#### Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Endowment asset investments are stated at market value, and current asset investments are stated at the lower of cost or net realisable value.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities, certificates of deposit and loan stock held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

#### Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Taxation status

The University is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

## **Brunel University**

### **Statement of principal accounting policies**

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The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

#### **Pension schemes**

Retirement benefits for the University's staff are provided by the Universities' Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the London Pensions Fund Authority Pension Fund (LGPS). These are defined benefit schemes, each of which is described further in the Notes to the Accounts. The institution is unable to identify its share of the underlying assets and liabilities of the USS and TPS schemes on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for these two schemes as if they were defined contribution schemes. As a result the amount charged to the Income and Expenditure Account represents the contributions to the schemes during the year.

LGPS Pension costs are assessed on the latest published actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services. Unless it is considered prudent to recognise deficiencies over a shorter period, variations from regular cost are spread over the average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The assets of the pension schemes are held separately from those of the University. LGPS pension scheme assets are measured using market values. LGPS pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The LGPS pension scheme surplus, to the extent that it is recoverable, or deficit is recognised in full. The movement in the LGPS scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

## Consolidated Income and Expenditure Account

### Year Ended 31 July 2013

	Notes	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
<b>Income</b>			
Funding body grants	1	39,729	51,419
Tuition fees and education contracts	2	82,611	70,046
Research grants and contracts	3	19,772	18,092
Other Income	4	40,905	39,053
Endowment and investment income	5	543	678
<b>Total Income</b>		<b>183,560</b>	179,288
<b>Expenditure</b>			
Staff costs	6	100,509	100,586
Other operating expenses	8	63,565	66,792
Depreciation	10	11,493	10,615
Interest payable	7	5,636	5,897
<b>Total Expenditure</b>		<b>181,203</b>	183,890
<b>Surplus/(Deficit) after depreciation of tangible fixed assets at valuation and before tax</b>		<b>2,357</b>	(4,602)
Taxation	9	(62)	-
<b>Surplus/(Deficit) before exceptional items</b>		<b>2,295</b>	(4,602)
Surplus for the year transferred to accumulated income endowment funds		251	223
<b>Surplus/(Deficit) for the year within general reserve</b>		<b>2,546</b>	(4,379)

All items of income and expenditure arise from continuing operations

#### Statement of Group Historical Cost Surplus and Deficits

There is no difference between the surplus/(deficit) stated above and the historical cost equivalent

Notes from pages 34 to 50 form part of these Financial Statements.

**Statement of Group Total Recognised Gains and Losses**  
**Year Ended 31 July 2013**

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	Notes	<b>Year Ended 31 July 2013 £'000</b>	Year Ended 31 July 2012 £'000
Surplus/(deficit) on continuing operations after depreciation of fixed assets at valuation, disposal of assets and tax		<b>2,295</b>	(4,602)
Actuarial gain/(loss) in respect of pension schemes	23	<b>8,575</b>	(10,493)
New Endowments	19	<b>227</b>	172
<b>Total recognised gains/(losses) relating to the year</b>		<b>11,097</b>	(14,923)
<b>Total gains/(losses) recognised since last financial statement</b>		<b>11,097</b>	(14,923)
<b>Reconciliation</b>			
Opening reserves and endowments		<b>127,391</b>	142,314
Total recognised gains/(losses) for the year		<b>11,097</b>	(14,923)
		<b>138,488</b>	127,391

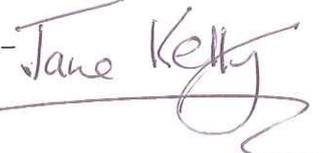
Notes from pages 34 to 50 form part of these Financial Statements

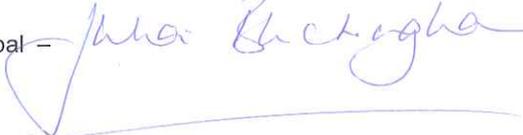
**Balance Sheets**  
As at 31 July 2013

		Group		University	
	Note	2013 £'000	2012 £'000	2013 £'000	2012 £'000
<b>Fixed assets</b>					
Tangible fixed assets	10	276,783	281,622	276,783	281,622
Investments	11	67	67	33	33
		<u>276,850</u>	<u>281,689</u>	<u>276,816</u>	<u>281,655</u>
<b>Endowment assets</b>	12	1,932	1,956	1,932	1,956
<b>Current assets</b>					
Stock		179	163	179	163
Debtors	13	17,494	13,387	17,616	13,501
Investments	14	44,411	43,166	44,411	43,166
Cash at bank and in hand		9,523	4,723	9,333	4,597
		<u>71,607</u>	<u>61,439</u>	<u>71,539</u>	<u>61,427</u>
<b>Creditors</b>					
Amounts falling due within one year	15	(46,010)	(45,759)	(45,831)	(45,570)
<b>Net current assets</b>		<u>25,597</u>	<u>15,680</u>	<u>25,708</u>	<u>15,857</u>
<b>Total assets less current liabilities</b>		<b>304,379</b>	<b>299,325</b>	<b>304,456</b>	<b>299,468</b>
<b>Creditors</b>					
Amounts falling due after more than one year	16	(91,993)	(93,226)	(91,993)	(93,226)
Provisions for liabilities and charges	17	(1,168)	(1,222)	(1,168)	(1,222)
<b>Total net assets excluding pension liabilities</b>		<u>211,218</u>	<u>204,877</u>	<u>211,295</u>	<u>205,020</u>
Net Pension liabilities	23	(36,904)	(44,511)	(36,904)	(44,511)
<b>Total net assets including pension liabilities</b>		<u>174,314</u>	<u>160,366</u>	<u>174,391</u>	<u>160,509</u>
<b>Deferred capital grants</b>	18	35,826	32,975	35,826	32,975
<b>Endowments</b>					
Permanent	19	712	716	712	716
Expendable	19	1,220	1,240	1,220	1,240
		<u>1,932</u>	<u>1,956</u>	<u>1,932</u>	<u>1,956</u>
<b>Reserves</b>					
Income and expenditure account					
Excluding pension liabilities	20	173,460	169,946	173,537	170,089
Pension reserve	20	(36,904)	(44,511)	(36,904)	(44,511)
		<u>136,556</u>	<u>125,435</u>	<u>136,633</u>	<u>125,578</u>
<b>Total funds</b>		<u>174,314</u>	<u>160,366</u>	<u>174,391</u>	<u>160,509</u>

Notes from pages 35 to 50 form part of these Financial Statements

The financial statements on pages 30 to 50 were approved by the Council on 21<sup>st</sup> November 2013 and signed on its behalf by:

Chair of Council – 

Vice Chancellor and Principal – 

## Consolidated Cash Flow Statement

### Year ended 31 July 2013

	Notes	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
Net cash inflow from operating activities	21	13,210	11,290
Returns on investments and servicing of finance			
Income from investments	5	4	4
Other interest received	5	539	674
Interest paid	7	(5,636)	(5,897)
		<u>(5,093)</u>	<u>(5,219)</u>
Taxation Paid		-	-
Capital expenditure and financial investment			
Payments made to acquire assets	10	(6,708)	(15,127)
Proceeds from the sale of fixed assets		599	359
Fixed asset investment additions		-	-
New endowments received	12	227	172
Endowment funds invested	19	(227)	(172)
Deferred capital grants received	18	5,213	173
		<u>(896)</u>	<u>(14,595)</u>
Management of liquid resources	22	(1,245)	10,444
Financing		<u>(1,176)</u>	<u>(1,111)</u>
Increase in cash		<u>4,800</u>	<u>809</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase in cash for the period	22	4,800	809
Changes in short term deposits		1,245	(10,444)
Change in net debt		1,152	1,060
		<u>7,197</u>	<u>(8,575)</u>
Net debt at beginning of year		(44,557)	(35,982)
Net debt at end of year		<u>(37,360)</u>	<u>(44,557)</u>

Notes from pages 34 to 50 form part of these Financial Statements

**Notes to the accounts**  
**Year ended 31 July 2013**

	Notes	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
<b>1 Funding body grants</b>			
<b>Recurrent grant</b>			
Higher Education Funding Council for England		35,683	45,984
Teaching Agency		323	2,244
<b>Specific grants</b>		1,454	1,121
<b>Deferred capital grants released in year</b>			
Building	18	1,665	1,658
Equipment	18	604	412
		<b>39,729</b>	<b>51,419</b>
<b>2 Tuition fees and education contracts</b>			
Full-time home and EU fees		42,177	31,869
Full-time international students		30,683	28,232
Part-time students		2,522	2,759
NHS education contract		4,603	4,550
Short course fees		2,178	1,879
Other Fees		448	757
		<b>82,611</b>	<b>70,046</b>
<b>3 Research grants and contracts</b>			
Research councils		6,766	7,117
UK Charities		811	920
Industry and commerce		3,795	2,224
Governmental		7,791	7,586
Other sources		609	245
		<b>19,772</b>	<b>18,092</b>
<b>4 Other income</b>			
Residences, catering, conferences and retail		31,992	30,519
Other income		8,848	8,469
Released from deferred capital		65	65
		<b>40,905</b>	<b>39,053</b>
<b>5 Endowment and investment income</b>			
Income from permanent endowments		1	1
Income from expendable endowments		3	3
Income from short term investments		539	674
		<b>543</b>	<b>678</b>

**Notes to the accounts**  
**Year ended 31 July 2013**

	<b>Year Ended 31 July 2013 £'000</b>	Year Ended 31 July 2012 £'000
<b>6 Staff costs</b>		
Salaries	<b>81,167</b>	81,541
Social security costs	<b>7,166</b>	7,040
Contributions to occupational Pension Scheme	<b>11,727</b>	11,583
Other pension liabilities	<b>3</b>	92
Restructuring costs	<b>446</b>	330
	<b>100,509</b>	100,586

Emoluments of the Vice-Chancellor				
	Current £'000	Former £'000		
Salary	167	70	<b>237</b>	266
Benefits	0	0	<b>0</b>	1
Pension contributions	27	0	<b>27</b>	17
	<b>194</b>	<b>70</b>	<b>264</b>	284

Remuneration of other higher paid staff, excluding employer's pension contribution

	<b>Number</b>	Number
£100,000 to £109,999	<b>4</b>	6
£110,000 to £119,999	<b>8</b>	7
£120,000 to £129,999	<b>2</b>	-
£130,000 to £139,999	<b>1</b>	3
£140,000 to £149,999	<b>1</b>	1
£150,000 to £159,999	<b>2</b>	2
£160,000 to £169,999	<b>2</b>	2
£170,000 to £179,999	<b>1</b>	-
£180,000 to £189,999	<b>-</b>	1
£270,000 to £279,999	<b>1</b>	-
	<b>Number</b>	Number
Average staff numbers by major category		
Academic and hourly Paid lecturers	<b>984</b>	1,017
Academic support	<b>443</b>	431
Technical	<b>79</b>	77
Administration Clerical and miscellaneous	<b>559</b>	594
Administration Craftsmen, Manual and Ancillary	<b>188</b>	250
Other	<b>276</b>	274
	<b>2,529</b>	2,643

There was no compensation for loss of office payable to senior post-holders in 2012/13 (2011/12 nil)

14 Trustees of the University, none of whom were employed by Brunel University, received an annual payment of £250 each totalling £3,500 to cover their expenses (2012: 14 trustees £3,500).

**Notes to the accounts**  
**Year ended 31 July 2013**

	<b>Year Ended 31 July 2013 £'000</b>	Year Ended 31 July 2012 £'000
<b>7 Interest and other finance costs</b>		
Loans not wholly repayable within five years	<b>4,494</b>	4,559
Interest on Enhanced Pension Scheme	<b>30</b>	46
Net charge on pension scheme	<b>1,112</b>	1,292
	<b>5,636</b>	5,897

**8 Analysis of total expenditure by activity**

	Staff costs £'000	Other operating expenses £'000	Dep'n £'000	Interest Payable £'000	<b>2013 Total £'000</b>	2012 Total £'000
Academic departments	61,308	13,635	1,229	-	<b>76,172</b>	77,265
Academic Services	11,537	6,035	137	-	<b>17,709</b>	18,420
Research grants and contracts	6,543	8,612	93	-	<b>15,248</b>	13,160
Residences, catering, conferences & Science Park	5,116	10,527	3,309	4,494	<b>23,446</b>	23,686
Premises	3,776	13,477	5,926	-	<b>23,179</b>	26,409
Administration	9,485	8,954	797	1,142	<b>20,378</b>	19,671
Impairments	-	24	-	-	<b>24</b>	130
Other services	2,744	2,301	2	-	<b>5,047</b>	5,149
	<b>100,509</b>	<b>63,565</b>	<b>11,493</b>	<b>5,636</b>	<b>181,203</b>	<b>183,890</b>

	<b>Year Ended 31 July 2013 £'000</b>	Year Ended 31 July 2012 £'000
Other operating expenses include:		
External Auditors remuneration in respect of Financial Statement Audit	<b>46</b>	43
External Auditors remuneration in respect of other audit services	<b>6</b>	3
External Auditors remuneration in respect of non-audit services	<b>1</b>	-

**9 Taxation**

UK corporation tax payable by subsidiary company	62	-
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**Notes to the accounts**  
**Year ended 31 July 2013**

**10 Tangible assets**  
**Group and University**

	Freehold Land and Buildings £'000	Assets in Course of Construction £'000	Equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 August 2012:				
Cost	337,286	2,119	25,865	365,270
Less: Disposals in year	(73)	-	(914)	(987)
Additions at cost	1,042	589	5,077	6,708
Transfers between accounts	351	(1,557)	1,206	-
At 31 July 2013:				
Cost	338,606	1,151	31,234	370,991
<b>Depreciation</b>				
At 1 August 2012:	67,156	-	16,492	83,648
Charge for the year	8,544	-	2,949	11,493
Eliminated in respect of disposals	(55)	-	(878)	(933)
	75,645	-	18,563	94,208
<b>Net book value 31 July 2013</b>	<b>262,961</b>	<b>1,151</b>	<b>12,671</b>	<b>276,783</b>
Net book value 31 July 2012	270,130	2,119	9,373	281,622
Financed by capital grant	31,988	-	812	32,800
Other	230,973	1,151	11,859	243,983
<b>Net book value 31 July 2013</b>	<b>262,961</b>	<b>1,151</b>	<b>12,671</b>	<b>276,783</b>

On 31 July 2013, freehold land and buildings included £6.6m, (£6.6m, 2011-12) in respect of freehold land which is not depreciated.

In accordance with FRS15, the university retained the book value of land and buildings.

**Heritage assets**

The University does not possess any heritage assets individually or as components of a set that were either acquired for over £25k or donated with a value at donation provided for over £25k except for a sculpture of Brunel included in the Fixed Assets at £10k. The combined value of heritage assets is considered both insufficiently material and of too uncertain value to warrant overall disclosure of a total balance.

The University's collections including artworks are currently located in the library, The Arts Centre and the archives.

There are works of art located around both the Uxbridge campus and its archives. These are viewable by staff and visitors with access to particular areas. The works of art consist of portraits of principals, assorted paintings, several sculptures and a few Victorian tables and chairs. There was a valuation by Bonhams in 2003 and insignificant movement thereafter.

**Notes to the accounts**  
**Year ended 31 July 2013**

Summary of Heritage Asset Transactions – none included in Tangible Fixed Assets or Endowments

Year Ended	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Acquisitions at Cost	3	8	8	4	-
Donations received at valuation	-	-	-	-	-
Disposal Proceeds	-	-	-	1	5

**11 Fixed asset investments**

	Group		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Investment in CVCP Properties plc	33	33	33	33
Investments in associated companies	34	34	-	-
	<b>67</b>	<b>67</b>	<b>33</b>	<b>33</b>

**Investments in subsidiary companies**

The group accounts incorporate the financial information relating to its subsidiary, in which it holds 100% of the shares, Brunel University Enterprises Ltd. Brunel University Enterprises Ltd is incorporated in England and Wales and pursues activities principally through the commercial exploitation of assets both tangible and intangible held and generated within the University and through management of the Brunel Science Park.

**12 Endowment assets**

	Group and University	
	2013 £'000	2012 £'000
Balance as at 1 August	1,956	2,007
New endowments invested	227	172
Increase in cash balances held for endowment funds	(251)	(223)
<b>Balances as at 31 July</b>	<b>1,932</b>	<b>1,956</b>
<b>Represented by:</b>		
Cash at bank held for endowment fund	<b>1,932</b>	<b>1,956</b>

**13 Debtors**

	Group		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
<b>Amounts falling due within one year:</b>				
Debtors	7,009	6,175	6,980	6,134
Amounts due from subsidiary companies	-	-	180	223
Prepayments and accrued income	10,455	7,145	10,456	7,144
	<b>17,464</b>	<b>13,320</b>	<b>17,616</b>	<b>13,501</b>
<b>Amounts falling due after one year:</b>				
Loans	30	67	-	-
	<b>17,494</b>	<b>13,387</b>	<b>17,616</b>	<b>13,501</b>

**Notes to the accounts**  
**Year ended 31 July 2013**

**14 Investments**

	Group and University	
	2013 £'000	2012 £'000
Money market deposits	<b>44,411</b>	43,166
	<b>44,411</b>	43,166

**15 Creditors: amounts falling due within one year**

	Group		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank Loans	<b>1,233</b>	1,176	<b>1,233</b>	1,176
Trade Creditors	<b>15,987</b>	17,701	<b>15,882</b>	17,688
Taxation and social security	<b>158</b>	257	<b>148</b>	247
Accruals and deferred income	<b>28,632</b>	26,625	<b>28,568</b>	26,459
	<b>46,010</b>	45,759	<b>45,831</b>	45,570

**16 Creditors: amounts falling due after more than one year**

	Group		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank Loans	<b>91,844</b>	93,077	<b>91,844</b>	93,077
Other Loans	<b>149</b>	149	<b>149</b>	149
	<b>91,993</b>	93,226	<b>91,993</b>	93,226

Analysis of secured and unsecured loans is as follows:

	Group		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
In one year or less	<b>1,233</b>	1,176	<b>1,233</b>	1,176
Between one and two years	<b>1,442</b>	1,382	<b>1,442</b>	1,382
Between two and five years	<b>4,257</b>	4,059	<b>4,257</b>	4,059
After five years	<b>86,294</b>	87,785	<b>86,294</b>	87,785
	<b>93,226</b>	94,402	<b>93,226</b>	94,402

For the three bank loans outstanding totalling £93.1m, the interest rate exposure is managed through an interest rate swap. The funds have been borrowed via Lloyds TSB bank plc and the amounts and rates after applying the swaps of each of the loans are £46.2m at 4.588%, £23.4m at 4.5843% and £23.5m at 4.5823%. All loans are repayable by instalments until December 2040.

**Notes to the accounts**  
**Year ended 31 July 2013**

**17 Provisions for liabilities and charges**

Group and University	<b>Enhanced Pension Costs £'000</b>
At 1 August 2012	1,222
Expenditure in year	(87)
Transferred from Income and Expenditure account	<u>33</u>
At 31 July 2013	<b><u>1,168</u></b>

From the date of the merger, enhanced pensions have been paid to former employees of the West London Institute of Higher Education.

The assumptions for calculating the Provision for Enhanced Pension Costs under FRS17 are as follows:

	<b>2013</b>	2012
Interest Rate	<b>3.32%</b>	2.44%
Price Inflation	<b>2.37%</b>	1.55%

**18 Deferred capital grants**

	Funding Councils £'000	Other Grants & benefactions £'000	Total £'000
<b>At 1 August 2012:</b>			
Land and Buildings	29,600	2,439	32,039
Equipment	897	39	936
	<u>30,497</u>	<u>2,478</u>	<u>32,975</u>
<b>Cash received:</b>			
Land and Buildings	1,725	-	1,725
Equipment	3,446	42	3,488
	<u>5,171</u>	<u>42</u>	<u>5,213</u>
<b>Released to income and expenditure account</b>			
Land and buildings	(1,665)	(64)	(1,729)
Equipment	(604)	(29)	(633)
	<u>(2,269)</u>	<u>(93)</u>	<u>(2,362)</u>
<b>Total</b>	<b><u>33,399</u></b>	<b><u>2,427</u></b>	<b><u>35,826</u></b>
<b>At 31 July 2013:</b>			
Land and buildings	29,660	2,375	32,035
Equipment	3,739	52	3,791
<b>Total</b>	<b><u>33,399</u></b>	<b><u>2,427</u></b>	<b><u>35,826</u></b>

All deferred capital grants relate to the University

**Notes to the accounts**  
**Year ended 31 July 2013**

**19 Endowments**

	Restricted Permanent £'000	Restricted Expendable £'000	<b>2013 Restricted Total £'000</b>	2012 Restricted Total £'000
Balance at 1 August 2012				
Capital	498	1,061	<b>1,559</b>	1,387
Accumulated income	218	179	<b>397</b>	620
	<b>716</b>	<b>1,240</b>	<b>1,956</b>	2,007
New endowments	1	226	<b>227</b>	172
Interest income	1	3	<b>4</b>	4
Appreciation of endowment assets				-
Expenditure	(6)	(249)	<b>(255)</b>	(227)
<b>At 31 July 2013</b>	<b>712</b>	<b>1,220</b>	<b>1,932</b>	1,956

	Group and University		
	Permanent £'000	Expendable £'000	Total £'000
Scholarship funds	543	407	<b>950</b>
Chairs and lectureships	-	14	<b>14</b>
Prize funds	169	104	<b>273</b>
Other funds	-	695	<b>695</b>
Total	<b>712</b>	<b>1,220</b>	<b>1,932</b>

**20 Reserves**

	Group £'000	University £'000
Balance at 1 August 2012	125,435	125,578
Surplus for the year	2,546	2,480
Actuarial gain in respect of pension scheme	8,575	8,575
<b>Balance at 31 July 2013</b>	<b>136,556</b>	<b>136,633</b>
Balance represented by:		
Income and expenditure reserve	173,460	173,537
Pension reserve	(36,904)	(36,904)
	<b>136,556</b>	<b>136,633</b>

**Notes to the accounts**  
**Year ended 31 July 2013**

**21 Reconciliation of profit before tax to net cash flow**

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Surplus/(Deficit) on continuing operations after depreciation of tangible fixed assets at valuation and before tax	<b>2,295</b>	(4,602)
Decrease in cash value of endowments	<b>251</b>	223
	<hr/>	<hr/>
Surplus/(Deficit) for the year	<b>2,546</b>	(4,379)
Depreciation	<b>11,493</b>	10,615
Impairments of Investment at Cost	-	46
Deferred capital grants released to income	<b>(2,362)</b>	(2,347)
Interest payable	<b>5,636</b>	5,897
Increase in stock	<b>(16)</b>	(17)
Investment Income	<b>(543)</b>	(678)
Increase in debtors	<b>(4,107)</b>	(1,690)
Increase in creditors	<b>194</b>	2,175
Profit on sale of fixed assets	<b>(545)</b>	-
(Decrease)/Increase in provisions	<b>(54)</b>	49
FRS 17 Pension costs less contributions payable	<b>968</b>	1,619
	<hr/>	<hr/>
	<b>13,210</b>	11,290
	<hr/> <hr/>	<hr/> <hr/>

**22 Analysis of changes in net debt**

	At August 2012 £'000	Cash flows £'000	Other changes £'000	At July 2013 £'000
Cash at bank and in hand				
Endowment assets	1,956	(24)	-	<b>1,932</b>
Other	4,723	4,800	-	<b>9,523</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	6,679	4,776	-	<b>11,455</b>
Short term investments	43,166	1,245	-	<b>44,411</b>
Debts due within one year	(1,176)	(57)	-	<b>(1,233)</b>
Debts due after more than one year	(93,226)	1,233	-	<b>(91,993)</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(44,557)</b>	<b>7,197</b>	-	<b>(37,360)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**23 Pension schemes**

The three principal pension schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS) for academic staff, and the London Pensions Fund Authority Scheme (LPFA) for other staff. The schemes are defined benefit schemes based on a final pensionable salary.

**The total pension cost for the University and its subsidiaries was:**

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Contributions to USS	8,757	8,517
Contributions to TPF	293	317
Contributions to LPFA	2,676	2,748
Contributions to other pension schemes	1	1
Provision for ex-WLIHE pension increase	3	92
	<hr/>	<hr/>
<b>Total Pension cost (Note 6)</b>	<b>11,730</b>	11,675
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the accounts

### Year ended 31 July 2013

The assumptions and other data relevant to the determination of the contribution levels of the schemes are as follows:

	USS 2011	LGPS 2012	TPS 2004
Investment returns per annum	6.1%	5.2%	3.5%
Salary scale increase per annum	4.4%	3.5%	5.0%
Pensions increase per annum	3.4%	1.8%	3.5%
Market value of assets at date of last valuation	£32,433.5 mil	£49.5 mil	£162,650 mil
MFR proportion of members' accrued benefits covered by the actuarial value of the assets	92%	n/a	97%

### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustees is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out a review of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members' mortality	S1NA["light"] YofB tables – No age rating
Female members' mortality	S1NA ["light"] YofB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

## Notes to the accounts

### Year ended 31 July 2013

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Males (females) currently aged 65 23.7 (25.6) years

Males (females) currently aged 45 25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liability of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index of price inflation.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include :

#### *New Entrants*

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

#### *Normal pension age*

The Normal pension age was increased for future service and new entrants, to age 65.

#### *Flexible Retirement*

Flexible retirement options were introduced.

#### *Member contributions increased*

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

#### *Cost Sharing*

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

#### *Pension increase cap*

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

## Notes to the accounts

### Year ended 31 July 2013

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonable constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based upon the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment Return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension finding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustees believe that over the long-term equity investment and investment in selective alternative asset classes will provide superior returns to other investment classes. The management structure and targets set by the trustee are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that, putting the issue of the USS fund's size and scale to one side for a moment, it might be theoretically possible to select investments producing income flows broadly similar to estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the sponsoring employers would be willing to make, it is necessary and appropriate for the trustee to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns.

The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a long-term view of its investments. Some short-term volatility of returns can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the responses that are available should the deficits persist and a revise recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together – in an integrated form – the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

At 31 March 2013, USS had over 148,000 active members and the institution had 1,104 active members participating in the scheme.

## Notes to the accounts

### Year ended 31 July 2013

The total pension cost for the institution was £8,756,530.17 (2012: £8,517,383). This includes £nil (2012: £ nil) outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 16% of pensionable salaries.

#### Teachers Pension Scheme

TPS is an unfunded defined benefit scheme administered by the Teachers Pensions Agency in accordance with the Teachers' Superannuation (Consolidation) Regulations 1988. Contributions on a 'pay-as-you-go' basis are paid to the Exchequer under arrangements governed by the Superannuation Act 1972.

Date of most recently published actuarial valuation	31 March 2004
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Pension increases per annum	3.5%
Market value of assets at last valuation date	£162,650 million
Proportion of members' accrued benefits covered by the actuarial value of assets	97%
Employers contribution	14.1%

It is not possible to identify the University's share of the underlying assets and liabilities in the scheme and hence, using the exemption under FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

#### Local Government Pension Scheme - London Pensions Fund Authority (LPFA)

The University participates as an Admitted Body in the LPFA which is administered in accordance with the Local Government Pensions Scheme Regulations 1997. The fund is valued every three years by actuaries, and the projected unit method is used in respect of the Active Sub-Fund in which the University participates. Each participating employer has their own contribution rate reflecting its long term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 July 2013, the employer's contribution rate was 22.6%. The employee's rate from 1 April 2011 is based on a banded earnings schedule. The employer's contributions were £2.68 million and the employees' contributions were £0.75 million.

The following information regarding the LPFA is based upon the full actuarial valuation of the fund as at 31 March 2007, rolled forward to 31 July 2010 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	At 2013	At 2012	At 2011	At 2010	At 2009
31 July					
Inflation (CPI)	2.5%	1.8%	2.7%	2.7%	-
Inflation (RPI)	3.3%	2.6%	3.5%	3.2%	3.6%
Rate of increase in salaries	4.2%	3.5%	4.5%	4.7%	5.1%
Rate of increase in pensions	2.5%	1.8%	2.7%	2.7%	3.6%
Discount rate	4.7%	3.9%	5.3%	5.4%	6.0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. They assumed life expectations on retirement at age 65 are:

	Males	Females
Retiring today	20.2	23.7
Retiring in 20 years	22.2	25.6

The following assumptions have been made :

Members will exchange half of their commutable pension for cash at retirement

Active members will retire one year later than they are first able to do so without reduction

**Notes to the accounts**  
**Year ended 31 July 2013**

The University's share of the total value of the LPFA fund is estimated to be as follows

	At 31 July 2013		At 31 July 2012	
	Long term rate of return	Fund Value £'000	Long term rate of return	Fund Value £'000
Equities	6.4%	27,426	5.6%	35,175
Target Return Portfolio	4.9%	16,922	4.3%	4,954
Alternative Assets/Property	5.4%	4,668	4.6%	7,927
Cash	0.5%	584	0.5%	1,486
Other Bonds	0.0%	0	0.0%	0
Cashflow Matching	3.4%	8,753		0
Total Market Value of assets	5.4%	58,353	5.2%	49,542

The following amounts at 31 July 2012 were measured in accordance with the requirements of FRS 17

At 31 July	2013 £'000	2012 £'000
Estimated asset share	58,353	49,542
Present value of scheme liabilities	(95,257)	(94,053)
Deficit in scheme	<u>(36,904)</u>	<u>(44,511)</u>

Under the transitional arrangements of FRS 17, no provision has been made for the deficit in the scheme. If provision were made, the following entries would be required:

**Movement in deficit during the year:**

**Analysis of amount charged to income and expenditure account**

	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	(2,805)	(2,453)
Losses on Curtailments and Settlements	272	(621)
	<u>(2,533)</u>	<u>(3,074)</u>

**Analysis of net return on pension scheme**

	2013 £'000	2012 £'000
Expected return on pension scheme assets	2,541	3,062
Interest on pension liabilities	(3,653)	(4,354)
Net return	<u>(1,112)</u>	<u>(1,292)</u>

**Analysis of amounts recognised in statements of total gains and losses (STRGL)**

Actual return less expected return on Pension scheme assets	6,735	(2,488)
Experience gains and losses arising on scheme liabilities	0	(1)
Changes in assumptions underlying the present value of the scheme liabilities	1,840	(8,004)
Actuarial gain / (loss) recognised in STRGL	8,575	(10,493)
Past service cost indexation	-	-
Total Recognised in STRGL	<u>8,575</u>	<u>(10,493)</u>

**Notes to the accounts**  
**Year ended 31 July 2013**

**Movement in deficit in the year**

	2013 £'000	2012 £'000
Deficit in scheme at the beginning of the year	(44,511)	(32,399)
Movement in year:		
Current service costs	(2,805)	(2,453)
Contributions	2,676	2,746
Contributions in respect of unfunded benefits	1	1
Past service costs	-	-
Other Finance Income	(1,112)	(1,292)
Settlements and Curtailments	272	(621)
Actuarial gain / (loss)	8,575	(10,493)
Deficit in scheme at the end of the year	<u>(36,904)</u>	<u>(44,511)</u>

**Analysis of net return on scheme liabilities**

	2013 £'000	2012 £'000
At beginning of the year	94,053	81,800
Service cost	2,805	2,453
Interest cost	3,653	4,354
Actuarial losses / (gains)	(1,840)	8,005
Losses/gains on curtailments	30	-
Effect of Settlements	(1,246)	621
Estimated benefits paid (net of transfers in)	(2,975)	(3,986)
Contributions by Scheme participants	778	807
Unfunded pension payments	(1)	(1)
At end of year	<u>(95,257)</u>	<u>94,053</u>

**Analysis of net return on scheme assets**

	2013 £'000	2012 £'000
At beginning of the year	49,542	49,401
Expected return on Scheme assets	2,541	3,062
Actuarial gains / (losses)	6,735	(2,488)
Contributions by employer	2,677	2,747
Contributions by Scheme participants	778	807
Estimated benefits paid (net of transfers in and unfunded)	(2,976)	(3,987)
Payment of bulk transfer value	(944)	-
At end of year	<u>58,353</u>	<u>49,542</u>

	Year ended 31 July 2013		Year ended 31 July 2012	
	£'000	%	£'000	%
Equities	27,426	47.0	35,175	71.0
Target Return Portfolio	16,922	29.0	4,954	10.0
Alternative Assets	4,668	8.0	7,927	16.0
Cash	584	1.0	1,486	3.0
Cashflow Matching	8,753	15.0	-	0.0
Total	<u>58,353</u>	<u>100.0</u>	<u>49,542</u>	<u>100.0</u>

**Notes to the accounts**  
**Year ended 31 July 2013**

**History of experience gains and losses**  
**Cumulative**

	<b>Year ended 31 July 2013</b>	Year ended 31 July 2012	Year ended 31 July 2011	Year ended 31 July 2010	Year ended 31 July 2009
	<b>£'000</b>	£'000	£'000	£'000	£'000
Difference between expected and actual return on assets:	<b>6,735</b>	(2,488)	(514)	1,313	(6,072)
Amount (£'000)	<b>58,353</b>	49,542	49,401	47,301	41,944
Percentage of scheme assets	<b>11.5%</b>	(5.0%)	(1.0%)	2.8%	(14.5%)
Experience gains on scheme liabilities	-	(1)	9,931	9	-
Amount (£'000)	<b>95,257</b>	94,053	81,800	81,841	77,347
Percentage of the present value of the scheme liabilities	<b>0.0%</b>	(0.0%)	12.1%	0.0%	0.0%
Total amount recognised in statement of recognised gains and losses	<b>8,575</b>	(10,493)	3,335	(1,754)	(12,853)
Present value of liabilities	<b>95,257</b>	94,053	81,800	81,841	77,347
Percentage of the present value of the scheme liabilities	<b>9.0%</b>	(11.2%)	(4.1%)	(2.1%)	(16.6%)

**24 Capital commitments**

Provision has not been made for the following capital commitments

Consolidated and University

	<b>2013 £'000</b>	2012 £'000
Commitments contracted for at 31 July	<b>1,445</b>	1,921

**25 Contingent liabilities**

The University is not aware of any contingent liabilities which require to be disclosed in accordance with the standard accounting practice.

**26 Related party transactions**

Transactions between Brunel University and its subsidiary undertaking Brunel University Enterprises Limited have been eliminated on consolidation and do not need to be disclosed, therefore, in this note.

Due to the nature of the University's operations and the composition of its Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length, and in accordance with the University's financial regulations and normal procedures.

Brunel University considers the Union of Brunel Students to be a related party due to the level and nature of the transactions between the organisations. During the year to 31 July 2013, the University paid a grant of £1,149,000 to the Union (2012: £1,063,000), and provided the Union with accommodation on all campuses free of rent and most other occupancy costs.

**Notes to the accounts**  
**Year ended 31 July 2013**

Brunel University received a research grant from a knowledge transfer partnership with Clean Air Power Limited with funding split: Clean Air Limited £58,306, Technology Strategy Board £118,306.

**27 Access to hardship funds (HEFCE)**

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Balance brought forward at 1 August	<b>19</b>	20
Funding Council grants received	<b>195</b>	220
Interest earned	-	-
Disbursed to students	<b>(208)</b>	(214)
Contributions to fund running costs		
Administration staff costs	<b>(6)</b>	(7)
	<u>-</u>	<u>19</u>
	<u>-</u>	<u>19</u>

**28 Teacher training bursaries**

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Balance brought forward at 1 August	<b>48</b>	(164)
Teaching Agency grant received	<b>1,685</b>	756
Disbursed to students	<b>(1,690)</b>	(544)
	<u>43</u>	<u>48</u>
Balance due to Teaching Agency	<u>43</u>	<u>48</u>

Funding Council Access grants and bursaries, as detailed in notes 26 and 27, are available solely for students. The funds and related disbursements are excluded from the income and expenditure account.

**29 Financial commitments**

At July 2013, the University had annual commitments under non-cancellable operating leases which expire as follows

	Land and Buildings	Equipment	<b>2013</b>	2012
	£'000	£'000	<b>£'000</b>	£'000
Within one year		167	<b>167</b>	1,499
Within two to five years	-	41	<b>41</b>	167
After five years	-	-	-	-
	<u>-</u>	<u>208</u>	<u>208</u>	<u>1,666</u>
	<u>-</u>	<u>208</u>	<u>208</u>	<u>1,666</u>

**Brunel University**  
**Membership of Council and Trustees during the 2012 – 13 year**

	<b>Status of Appointment</b>	<b>Date Appointed in-year</b>	<b>Date resigned in year / Completed Term of Office</b>
Professor J Buckingham	Vice-Chancellor & Principal	1.10.2012	
Professor C Jenks	Vice-Chancellor & Principal		30.09.2012
Professor M Sarhadi	Vice-Principal		
Mrs J Kelly - Chair	Independent Member		
Mr D Finlayson – Deputy Chair	Independent Member		
Mr N Afzal	Independent Member		31.07.2013
Mr T Belisario	Independent Member		
Ms M Black	Independent Member		
Ms M Chapman	Independent Member		
Ms N Cole	Independent Member		
Professor K Gregory	Independent Member		
Mrs M Lenton	Independent Member		31.07.2013
Mr A Little	Independent Member	1.08.2013	
Mr P Markwell	Independent Member		
Mrs J Robbins	Independent Member		
Professor K Spyer	Independent Member	1.08.2013	
Mr C Thorneycroft-Smith	Independent Member		
Mr G Tomkinson	Independent Member		
Mr R Westhead	Independent Member		
Dr J Bridger	Appointed by Senate	1.02.2013	
Professor S Capel	Appointed by Senate		31.01.2013
Professor Z Irani	Appointed by Senate	1.02.2013	31.01.2013
Dr W Leahy	Appointed by Senate	1.08.2013	31.07.2013
Professor R Simpson	Appointed by Senate		31.07.2013
Professor S Tassou	Appointed by Senate	1.08.2013	
Professor M Lycett	Elected Academic Member	1.08.2013	31.07.2013
Professor R Macredie	Elected Academic Member		
Ms E Jackson	Elected Staff Member	01.08.2013	31.07.2013
Ms L Hunt	Elected Staff Member	1.08.2013	
Mr B Stiff	Elected Staff Member		31.07.2013
Mr P Phillips	Student Member		31.07.2013
Mr M Zaranyika	Student Member	1.08.2013	

**Brunel University**  
**Membership of Council and Trustees during the 2012 – 13 year**

**Committees served during the year: 2012 - 13**

<p><b>Finance Committee</b></p> <p><b>Chairman</b> Ms. M. Black</p> <p><b>Members</b> Mr. T Belisario Professor J. Buckingham Mrs M. Chapman Professor K. Gregory Professor Z. Irani Mrs J. Kelly Dr W. Leahy Dr. M. Lycett Mr. P. Phillips Dr J. Robinson Professor G. Rodgers Professor M. Sarhadi Mr B. Stiff</p>	<p><b>Audit Committee</b></p> <p><b>Chairman</b> Mrs N. Cole</p> <p><b>Members</b> Mr S. Coventry (Co-opted) Mrs M. Lenton Mr. G. Tomkinson Mr R. Westhead</p>	<p><b>Health and Safety Assurance Committee</b></p> <p>Disbanded-powers transferred to the University's Health and Safety Committee</p>
<p><b>Strategic Planning &amp; Resources Committee</b></p> <p><b>Chairman</b> Professor. J. Buckingham</p> <p><b>Members</b> Mrs M. Chapman Mr P Markwell Mr. P. Phillips Professor M. Sarhadi Mr G. Tomkinson</p>	<p><b>Nominations &amp; Remuneration Committees</b></p> <p><b>Chair</b> Mrs J. Kelly</p> <p><b>Members</b> Ms. M. Black Professor J. Buckingham Mr D. Finlayson Professor K. Gregory Professor M. Sarhadi</p>	<p><b>Equal Opportunities and Human Resources Committee</b></p> <p><b>Chairman</b> Professor J. Buckingham</p> <p><b>Members</b> Mr N. Afzal Professor K. Gregory Mrs. J. Robbins Professor M. Sarhadi</p>
<p><b>Special Projects Committee</b></p> <p><b>Chairman</b> Mr D. Finlayson</p> <p><b>Members</b> Professor. J. Buckingham Professor K. Gregory Mr C. Thorneycroft-Smith Mr. G. Tomkinson Mr R. Westhead</p>	<p><b>Honorary Degrees Committee</b></p> <p><b>Chairman</b> Professor J. Buckingham</p> <p><b>Members</b> Mr N. Afzal Mrs J. Kelly Mrs M. Lenton Mr. P. Phillips Mr C. Thorneycroft-Smith</p>	
<p><b><u>Professional Advisers</u></b></p>		
<p><b>Bankers</b></p> <p>HSBC Bank plc, Uxbridge</p>	<p><b>Legal advisers</b></p> <p>Eversheds, London Veale Wasbrough Vizards, Bristol Farrer &amp; Co, London</p>	<p><b>External auditors</b></p> <p>KPMG LLP, London</p>
<p><b>Indirect tax advisers</b></p> <p>Ellis Chapman &amp; Associates, Knutsford, Cheshire</p>	<p><b>Internal Auditors</b></p> <p>Grant Thornton UK LLP, London</p>	